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Canada's Weekly Newsmagazine

September 6, 1999



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## Editor

## Curling up with a great screen

Remember that line from the old days, in the early 1990s, you can't take a computer into the bathroom. It was spoken with authority by wisdom in the print trade, secure in the conviction that the tradition of words on paper would never change. Well, welcome to the world of chemical polymers. In the hills of Silicon Valley, chemicals are being tested that could replace electronic massages and the rigid screens of the PC. The vision is that people could download printed matter—say, *Maclean's*—on a flexible plastic sheet that they could roll up and take into the bath. It might even float.

Many readers may be equally astounded by the electronic revolution happening in education, the subject of this week's cover story (page 22). The marvel is that there is so much available online—from Harvard MBA's to lessons on how to repair gas pipelines. The Internet now connects to about 17,000 different courses, 2,700 of them offered by Canadian schools. The United States offers the largest number, but Canada is a distant second, followed by Australia and England.

It is not just a Central Canadian thing.



Computer students worldwide access

either. Online courses are offered by New Brunswick Community College at Miramichi and Malaspina University-College on Vancouver Island. Among the domestic leaders is the Southern Alberta Institute of Technology in Calgary, which has ambitious plans to offer almost half of its courses online in the next three years, claiming a new designation as "Cyber-SAIT." Fredericton also is a burgeoning centre where

TelCampus, the centre of the New Brunswick government and, ahem, maintains a massive database of Internet course offerings (<http://telcampus.ca/>).

There are plenty of reservations about learning online, most of the face-to-face interaction of students and teachers is gone, university professors and school-children feel threatened, and the voyage of discovering the joy of sitting down with a book in a quiet place may be lost to future generations. Offsetting these disadvantages: online courses are cheaper and offer worldwide access.

One major concern is the lack of Canadian content. David Johnston, president of the University of Waterloo, notes that fully 90 per cent of the educational software used in Canadian schools is produced outside the country. Clearly that is an opportunity for Canadian-based software specialists. After they have designed the next great Canadian history course, they might even want to try their hand at some fiction—for reading in the bath.

Robert Lewis



## Newsroom Notes

## School days

In a world full of lifelong learners, online education has become a booming business. This week's cover package, written by Education Editor John Schofield and overseen by Assistant Managing Editor Ann Dowsett Johnson, explores the impact of technology on the lives of students young and old. While parents and teachers debate the value of technology in the classroom, adult learners are unequipped about the online alterna-



Schofield (left), Johnson, a friend

*The Maclean's Guide to Canadian Universities 2000.* Call it back to school, *Maclean's*-style.

tive. "Globally, we're witnessing a shift to post-secondary education," says Dowsett Johnson, "with individuals tailoring their own online study schedules. For Canadian education, the major hurdle will be keeping a hold on an aggressive international market."

Last week, Dowsett Johnson and her team were rolling up their sleeves on two other projects. Aug. 27 marked the deadline for universities to submit their data for the ninth annual *Maclean's* ranking, due out on Nov. 8. Meanwhile, writers and researchers leached into



Susan came across her lost Mayan pyramid during her honeymoon in Belize. Five years later she's been studying the magnificent ruins of all the historic cultures that are found in abundance throughout

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## Dealing with refugees

Your Aug. 23 issue on "Canada open door" starts out on the wrong foot with your cover asking the question, "Should we let migrants stay or send them back?" In my view, the question is "Should we let alleged migrants stay or send them back?" Canadian fairness does not embrace illegally jumping the queue.

W. J. Lomas, Quilnes, Ont.



*Migrants: a dubious back-door arrival?*

I was so pleased to read living Alberta opinion piece on the supposed refugee crisis that "flooding" Canada's western shores ("Let's get a grip"). Having seen numerous sensational, bordering on racist, articles, not to mention unscientific opinion polls about the latest influx of refugees, it was indeed refreshing to read a reasoned, well-

thought-out article on the subject. Canada welcomed me 31 years ago when I emigrated from the United States. I hope we continue to do so for other people coming to Canada. To do otherwise would not be Canadian.

Bathurst, Ont., Victoria

**Bully for former Immigration and Refugee Board member William Bauer.** Now, we need politicians with his concern for the dignification of Canadian values and the acceleration of illegal migration. If our government chooses to bypass the queue of honest and industrious potential immigrants in favour of those who have already flooded Canada's laws by a dubious back-door arrival, can't we presume that the government rewards duplicity rather than honesty?

Gillian Wells, North Vancouver

**Before Canada starts spending money putting refugees on social assistance, providing them with medical care and a home, our country should first resolve its own internal issues.** Our political representatives should focus on our people, our poor that live on our streets. Canada has important and urgent issues to solve that directly affect the lives of Canadians, before thinking of immigrants.

Sara Berger, Ontario

It was interesting to learn that illegal migrants who claim refugee status are entitled to free medical care while awaiting "a process that can take months, or more likely years." I moved back to Canada this past February, after living in the United States for some years with my American wife. Not only did it cost me almost \$1,000 in immigration and medical checkup fees, but despite my five years in the Canadian Forces, neither one of us was entitled to

## Parent of a street kid

**As I read your report on runaway kids** ("The anguish of the street," Special Report, Aug. 23), I could solve the anguish of being a parent of a runaway 1, too, have a daughter who, at 15, has been living the life of a street kid for more than a year. An honour roll student with great potential, she completed Grade 12 before setting out on the road. As a family, we were for counselling. My daughter also saw family counsellors, psychiatrists, psychologists, addiction counsellors and sexual abuse counsellors. Several of these professionals reported that nothing was wrong, the just needed to experience more freedom. I am shocked at how many professionals in the counselling field are so naive and inexperienced in dealing with these high-maintenance children. I call them this because they truly take all of one's energy, love and patience. I have come to accept that these are children who, no matter what land of home they come from, will be attracted to this dark side of life. There are those who would be quick to chastise the parents, making them pay for any damages incurred by their headstrong kids and blaming them for their inability to control their children. It is this type of thinking that will lead to further devastation in families and more runaways. There are thousands of parents crying out for help with their street kids, and even more who have given up hope. Frustration abounds, when at every point the hands of parents and police are tied. Parents' rights have diminished, yet they remain liable for the choices their children make. Where is the sense or logic in that?

Kathleen Rieck, Toronto, Ont.



free medical care until we had lived here for three months. Obtaining income insurance was a substantial expense, and now we still pay our dues every quarter for B.C. medical insurance. It amazes me that our government is more concerned in providing medical benefits to illegal migrants than it is to one of its own citizens, and one who served the country in the military at rather perilous wages.

Edward Brown, Galtville Island, B.C.

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## The Mail

from a podiatrist and after being fixed with the device, the maladas seemed to magically disappear. When I revisited the doctor and expounded on my new lease on life, he just wryly looked at me and said, "Well, of course, you've been walking off balance for years." After reading your cover on pain, I shudder to think about the amount of anti-inflammatory drugs I have taken over the years.

Dave Zetlin, Toronto, Ont.

## The way it was

Two letters about Barbara Ansel's column on the death of John F. Kennedy Jr., his wife, Carolyn Bessette Kennedy, and her sister Lauren Bessette describe Ansel as cruel and mean-spirited ("Tough death," Aug. 16), and what annoys me is that there is no one out there who appreciated her article enough to praise it. I admit I was shocked when I read what she said of the plane crash, because she was the only member of the media who dared to suggest the exact was not the "American tragedy" it had been so aptly called. While others gloated over the novice pilot's lack of flying skills and tried to excuse him by blaming nature, Ansel did not shy from passing blame where it was deserved: actions have consequences, and no amount of looks or breeding can save you from that fact.

Dalia Tellez, Toronto

Though it troubles me that people such as the Kennedys are often defiled by the public, it concerns me more when they are so eagerly put in their place by those who feel that it is their need to do so. JFK Jr. and his wife were neither saints nor were they simple. We mourn their loss not only for who they were, but also for what they never had a chance to become. I have come to realize that indeed during their lives is only representative of the good side of us all. Sadly, enough is often not enough for people who do not understand this.

Jill Bellini, Calgary



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## Notes

Edited by Tanya Davies

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Twain, Russell (left) Tyler, Amende and Steve Wilkerson (below): country music award nominees



## Rising to the heights in Canadian country

There is typically a preponderance of denim and cowboy boots and hats at the Canadian Country Music Awards—but no matter what, Amanda Wilkerson swears on Sept. 13 for the live broadcast of the Ottawa event, it will be an improvement over her past attire. “We have been watching these awards at home for years, wearing flannel pyjamas and eating popcorn,” says the 37-year-old, one-third of the Wilkersons, a family trio from Timmins, Ont., nominated for the first time this year. “All I know is that it won’t be flannel and I will be

entering shrimp cocktail!” The Wilkersons, including Amanda’s brothers Tyler, and father, Steve, have been nominated for six awards, joining the other multiple nominees, Shania Twain, Terri Clark, Paul Brandt and Prairie Oyster, as the best bets for winning at least one prize. “It is so bizarre to be placed at the same level as Shania,” says Amanda, who has met the international superstar and enjoys the fact that the two are almost the same height: five foot, two inches. “She is a Canadian icon—and as vertically challenged as I am.”

## A ‘loved’ label

In the 1960s, pop artist Andy Warhol painted portraits of the standard red-and-white Campbell Soup label, turning it into a cultural icon. And while the paintings became collector items after Warhol’s death in 1987, they might be-

come even more valuable now that the Camden, N.J.-based Campbell Soup Co. has decided to update the label. “The design is much lovelier,” admits Lisa Zakonjick, vice-president of the soup division. “But we felt there was



Old can (left) and new

a wonderful opportunity to update it and refresh it.” Changes to the 161-year-old design include a colour photo of a bowl of soup and a banner proclaiming the category of soup contained in the can. The new labels will be on store shelves in late October. “Minty Mint Good!”



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## Dion scores with Rocket tribute

Celine Dion is used to recording her golden voice while singing, not sipping—but that has changed thanks to French-Canadian hockey hero Maurice Richard. The Quebecer character has inspired a devotion on the life and times of Richard. A fan of the hockey legend, Dion donned a Canadiens jersey bearing his famous number 9, and solved him in the

Carsides," says Scully. "It's putting the torch to Celine Dion, who has become that emblem now."

Scully travelled to Palm Beach, Fla., where the singer and her husband and manager, René Angélil, live, to do the recording. Dion impressed Scully and the sound crew by recording eight hours of variation—four for the French version and another four for a distinct English version—in one day, a third of the time as normally takes professional actors.

The television special, *The Maurice "Rocket" Richard Story*—which will air in French in November and in English next fall—consists of archival film, testimonials and dramatizations (Quebec actor Roy Dupuis, of *Nikita* fame, plays Richard as a young adult). Richard's many fans—some legends in their own right, including Wayne Gretzky and Senator



Angélil (left), Richard and Dion in Montreal: a devotion on the life of the hockey superstar

Herb Lund—pay tribute to the star in the docudrama. And Prince Philip, a longtime fan of the Rocket, has written the foreword to a companion book, to be published next fall. Scully, who has worked on the project for three years, considers Richard a national treasure. "Rocket, to many people around the world, is the greatest living Canadian," he says. "But he's a reluctant hero, which is what makes him so great."

## Pop Movies

1. <i>The Bad News Bears</i> (R) (7/10)	\$1,029,545
2. <i>Nikita</i> (R) (7/10) (7/10)	\$1,000,000
3. <i>The War With Grandpa</i> (PG) (7/10)	\$1,285,740
4. <i>Barney's Diner</i> (PG) (7/10)	\$1,261,800
5. <i>Barbie</i> (G) (7/10) (7/10)	\$1,146,540
6. <i>The Thomas Crown Affair</i> (PG) (7/10)	\$1,068,000
7. <i>Unconditional Love</i> (R) (7/10) (7/10)	\$770,000
8. <i>Twelve Days of Christmas</i> (G) (7/10)	\$619,500
9. <i>Inspector Gadget</i> (PG) (7/10)	\$590,000
10. <i>The Bad News Bears</i> (R) (7/10)	\$554,000

Top movie in Canada, tracked according to box office receipts during the seven days that ended on Aug. 26. (In brackets: number of screens/theaters showing.)  
Source: Entertainment Weekly Inc.

## Passages

**Died:** Computing industry pioneer James Wesley Gekas, 67, of cancer, in Waterloo, Ont. Gekas, born in Copper Cliff, Ont., became fascinated by the potential of computers while studying math and physics at the University of Toronto in the early 1950s. Later, as a professor at the University of Waterloo, Gekas helped establish its computer centre in 1962. Over the next 25 years, he was the major force in achieving the university's world-wide reputation as a leader in software development. He received the Order of Canada just three days before he died.



**Inducted:** Canadian Lew Urey, 72, whose 1959 invention of the powerful lithium battery opened the door to laptop computers, camcorders, pagers and cellular phones, into the Smithsonian Institution's Hall of Fame, in Washington. Urey grew up in Thompson, Ont., 80 km east of Toronto, and graduated from the University of Toronto with a bachelor of applied sciences degree. In the early 1950s, he worked at Eveready's Toronto offices before being transferred in 1955 to Cleveland, where he still works.

**Appointed:** Kuan Kuan, 48, an artistic associate in the National Ballet of Canada, in Toronto. Kuan, a principal dancer with the company from 1970 to 1997, will supervise the artistic direction, teach and assist with fund-raising.

**Broken:** The oldest track record, for the men's 400 m race, by American Michael Johnson, 31, at the track and field world championships in Seattle, Spain. Johnson won in 43.18 seconds, clipping 11/100ths of a second off the record set by fellow American Butch Reynolds in 1988. Johnson also holds the 200-m world record, which he set at the 1996 Atlanta Olympic Games.

**Ordered:** American film director Oliver Stone, 52, into a drug rehabilitation program, after pleading no contest to drunken driving and drug possession, in Beverly Hills, Calif.



## Mountie madness

Brendan Fraser, who spent his teenage years in Toronto, stars as an RCMP Mountie in the film *Dudley Do-Right*, based on the late-1960s animated children's TV show. Set in Santa-Happy Valley, Dudley must stop the evil Seidley Whiplash (Jeff Molloy) from tying his victims to the train tracks, while winning the love of Nell Fenwick (Sarah Jessica Parker).



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## Opening Notes

### Explorer

## A bricks and mortar Web site

Homeowners considering renovations and other improvements can now let their fingers do the walking over a computer keyboard, instead of the Yellow Pages. Paul Dunne describes his company's Web site—*webster.com*—as a combination of phone book and encyclopedia for the home renovation. The site provides listings, prices, addresses and phone numbers of 5,000 companies—who pay to be listed—in Vancouver and the Greater Toronto Area that can help a person buy or sell a home, decorate, acquire appliances, furniture and other household goods, and landscape and maintain their property. The site also con-

tains the expertise of 12,000 pages of do-it-yourself helpful tips and information.

Based in Toronto, Dunne and his partner, Min Halpern, launched the Web site in January, 1998, but redesigned it last May after Pelegrino, Ont.-based Stronza Capital, a financing firm, bought their company. They have since embarked on a \$1-million billboard and radio advertising campaign, and are planning a major expansion. By next April, they aim to add listings for 20 other Canadian and U.S. cities. And they will include a new e-commerce service that will allow people to buy household items, everything from pens to drills to bridges, directly through the Web site. But consumers may find they still have to go through the old-fashioned phone book, since listings in some service categories are limited, and information about the contractors is scanty.

D'Arcy Jenish



Air Canada's Toronto Express Check-In Kiosk, 20 seconds

## The 20-second airport check-in

Starting this week, Air Canada hopes to make life a little easier for frequent flyers travelling from Toronto's Pearson International Airport to Montreal and Ottawa with an new Express Check-In Kiosk. The machines, similar to automated tellers, allow a person with a prepackaged ticket to check in and receive a boarding pass in as little as 20 seconds (depending on the

length of the lineup). Users can also select their seats, check for standby flights or upgrade from economy to business class. Luggage can be checked in at a special counter located near the kiosk. Kiosk project manager Yves Carrière says the machines should reduce long lines for business travellers, who are frequently assigned to catch their flights at the last minute.

Since last November, Air Canada has installed 10 kiosks on a trial basis at Toronto's Macdonald-Cartier International Airport. Now, up to 15 per cent of the airline's customers travelling to Montreal and Toronto are using them concurrently. Initially, travellers will receive 500 free Airport points per round trip for using the kiosk. The airline plans to install the time-saving devices at all major Canadian airports during the next two years.

D.J.

## Opening Notes

### Best-Sellers

Fiction	POSITION	LAST WEEK
1. <b>BLACK HOLE</b> , Stephen King (2)	1	
2. <b>PLASMA</b> , David Foster (2)	2	
3. <b>THE GUNNERS</b> , Stephen King (1)	3	
4. <b>THE WINDS</b> , Anne Rice (1)	4	
5. <b>THE WINDS</b> , Anne Rice (1)	5	
6. <b>THE WINDS</b> , Anne Rice (1)	6	
7. <b>THE WINDS</b> , Anne Rice (1)	7	
8. <b>THE WINDS</b> , Anne Rice (1)	8	
9. <b>THE WINDS</b> , Anne Rice (1)	9	
10. <b>THE WINDS</b> , Anne Rice (1)	10	

Nonfiction	POSITION	LAST WEEK
1. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	1	
2. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	2	
3. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	3	
4. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	4	
5. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	5	
6. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	6	
7. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	7	
8. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	8	
9. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	9	
10. <b>THE OTHER SIDE OF THE COIN</b> , John H. Coatsworth (2)	10	

(\*) Weeks in list. Compiled by Jean Rueland

## The life of Leacock

Stephen Leacock was not only a writer, he was also a teacher, farmer and devoted family man. That much is amply evident from the collection of essays in *The Stephen Leacock Memo Book* (Dorland Press).



Compiled by Douglas Macpherson, curator of the Oshawa, Ont.-based Leacock Museum, and read by board member James A. McGarvey, the photos follow Leacock from his birthplace in Hampshire, England, to McGill University, where he was a student and teacher, and finally to his country home in Oshawa. Most of the family pictures have never been published before, and the text is peppered by Canadian photographer Klaus Kuhn, who spent days recording the writer's life in 1941.

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## Backstage



Anthony Wilson-Smith

# Private lives, public people

As F. Scott Fitzgerald

wrote, famously "There are no

second acts in American lives."

That was true in the pre-tele-

vision era—but these days,

there are movies, even in real life. Just ask George W. Bush,

the Texas governor and Republican presidential candidate. A

non-drinker for the past 12 years, he keeps being asked to re-

veal his previous life in public. At first, he refused to give

specifics, saying only "when I was young and foolish, I was

young and foolish." Recently, under fresh media questioning

and rumors spread by Democrats, he admitted he has not used

drugs in 25 years. That hasn't been enough—now, there are

suggestions that if Bush doesn't come clean with the "Ameri-

can people"—meaning the Washington press corps—the

controversy might derail his campaign.

It's fun for us in the media business when we play judge and

jury, even though our constituency is that through with

hypocrisy. Put it this way: if a journalist had smoked a joint

with Bush in 1969 and managed to take a picture of his

wheel-of-friend-and-future-presidential-candidate, publish-

ing the photo today might ruin the future of one, while it

would burnish the career of the other. The fact would be that

both broke the law, but only Bush would likely suffer.

The debate over how to deal with the private lives of pub-

lic people is about as old as journalism. In Canada, the un-

spoken rule has been that politicians' private lives are their

own business unless it affects their performance. When

Toronto Mayor Mel Lastman's wife, Marilyn, was arrested for

shoplifting (though not charged) earlier this year, the local

media knew, but did not act on the story. It came out when

the stressed-out mayor publicly chastised a reporter who he

believed was about to reveal the incident—and thus brought

it to general attention. But the follow-up coverage and find-

back reflected sympathy for the Lastmans, and chastity that

the media had been made public.

In Ottawa these days, you'd be hard-pressed to find a sin-

gle malicious detail in the lives of most of the country's biggest

political names. Jean Charest's drink of choice is beer, while

Paul Martin prefers the occasional scotch and water. Poona

Manning sticks to soft drinks, and Joe Clark's wine habit

used to be extremely well-cooked hamburgers drenched in

sauce. And it's a good thing Allan Rock jogs daily, because,

until he finally moved to Ottawa from Toronto several years

ago, he was working on the same addiction on junk of the

burger-fries-cola variety.

All of the above is true—and even if there were worse scan-

dals to relate, our libel laws would make it difficult to tell you.

There's a key difference between our laws and those of the

United States: south of the bor-

der, you can say anything you

want about a public official,

so long as you can prove an

absence of malice. Here, you

have to prove what you're saying—and that's a big hurdle.

Actually, Canadian politicians aren't necessarily more

naïve than their American counterparts (well, leaving aside

Bill Clinton). And there's little evidence on either side of

the border that voters' choices are adversely influenced by

personal misdeeds. So John A. Macdonald was sometimes

drunk in public, Ralph Klein's earthiness and thorny habit

haven't stopped him from being arguably Canada's most ef-

fective premier. People in New Brunswick shook their head,

laughed or ignored rumours about the antics of Richard Ha-

field, the confirmed bachelor who was premier for 17 years.

And Quebec's charming, classier-than-thou premier with the

wondering opinion of René Lévesque in his early years as premier

well, the media spread over Bush's descent past the bar

at new levels. It's extraordinary and ingenious to suggest the

antics of someone many years ago are relevant today—es-

pecially if *Not Bush*, they've given up previous vices. Some of

the greatest evangelists in history were hell-raisers in their

youth, such as the legendary halcyon-preacher Billy San-

day, and no one told them their misdeeds disqualified them

from spiritual leadership. And it's silly to measure people's

past actions by present standards of behaviour. To carry that

pastor to absurd extremes, for example, the great civil rights

activist Martin Luther King Jr. would be judged harshly

today because he called his people "Negroes" instead of

"African-American," and wore short, tie and conservative

suits instead of T-shirts, Huggies or Fubu outfits.

Perhaps the real issue with the public's right to know—

especially since polls show Americans think care who Bush

did in the past. What's actually at stake is journalists' sense

of entitlement. Everyone wants to be in the loop. Cover pol-

itics in Washington, Ottawa or elsewhere, and you inevitably

go to dinner with influential people where someone drinks

too much, everyone talks too much, and things are said that

might be embarrassing if they showed up at prime

The social contract between reporters and politicians in-

cludes newspaper information in such circumstances. It allows

journalists to collect anecdotes and opinions so as to better

explain their subjects to readers and viewers. The process of

deciding what to report, and what to leave out, is tough, sub-

jective and imperfect. That's unavoidable. But more than

anything, reporters like to know stuff—even if they don't

care. Bush chose to keep the Washington press corps out of

the loop. Now—make no mistake—he is being punished.

# Activists in Black Robes

The Supreme Court has developed a reputation for feistiness — and the chief justice's resignation is not about to change that

By Bruce Wallace

As the early favourite to be the country's next chief justice, Beverly McLachlin is about to see her every utterance parsed, probed and dissected for clues about just what kind of Supreme Court she might lead. And if her comments to the Canadian Bar Association's annual meeting in Edmonton last week are any indication, the prevailing mood on the court these days might be summed up as: extremely

sensitive to criticism. "You hear a lot about it, that judges aren't necessarily accountable," the British Columbia judge said during a panel discussion. "But we are accountable. We operate in open courts. We give reasons," she said. And McLachlin then invoked the court's well-worn defence against the critics who contend judges are making law rather than just interpreting them. Courts, McLachlin said, "speak only when

citizens or the government bring an issue before them. They do not march out and say, 'We think there is a problem here—we are going to rule on it.'"

With that declaration, McLachlin, who will be 56 on Sept. 7, signalled that the early retirement of Chief Justice Antonio Lamer next January does not mean that the court is about to stand in the face of growing public disaffection. Over the last several months, Lamer, 66, has ducked off the

cloak of judicial reserve, pulled up his sleeves and responded to his critics. He accused them of "judge bashing," and argued that courts are merely herding the will of the people by ensuring all laws comply with the 1982 Charter of Rights and Freedoms. It was an opinion picked up and echoed by other justices, McLachlin among them. "The courts have no choice but to grapple with a whole range of issues," she has said, "many of them involving social and moral questions of profound importance and difficulty."

But to those who believe judges are meddling in areas where they have no business, this so-called the-chance-made-me-do-it defence does not stand up to scrutiny. "The Supreme Court is getting bolder all the time in its belief it can go into with more and more activism," says McGill University political scientist Chris Manfredi, a respected Supreme Court analyst. "The notion that they are humble servants of the Constitution is nothing but hubris cloaked in humility." In fact, no one doubts that the charter has radically shifted the power balance from elected parliamentarians towards the judiciary. The issue for many is how far the judges will go before they lose public support.

The battle lines over the legitimacy of the court's decisions came at a moment of upheaval in the court itself. Former international war crimes prosecutor Louise Arbour, 52, will join this month, becoming the third appointee to the nine-member bench made by Prime Minister Jean Chrétien. And Chretien has an opportunity now to put a significant stamp on the court that will last well into the next century. In McLachlin, he has a chance to name the first woman chief justice—a bilingual woman with a solid judicial record. And Chretien will be appointing another Quebecer to fill Lamer's vacancy. Having already appointed francophones to two non-Quebec seats (New Brunswick's Michel Bastarache and Ontario's Arbour), there is some speculation the Prime



Lamer at home in Ottawa with wife Danielle Tremblay ducking off the cloak of judicial reserve

Minister might defy convention and choose an English-speaking Quebecer. That has pushed respected if mild Justice Morris Fish, 60, from the Quebec Court of Appeal into the mix of candidates.

The Quebec bench also boasts two other leading contenders. Justice Michel Robit, 61, whose unerring federalist views on constitutional issues would appeal to Chretien as much as his Liberal party pedigree (Robit was once the party president). The other is Justice René Dussault, 59, whose background as co-chairman of the Royal Commission on Aboriginal Peoples would strengthen the court at a time when native issues are a growing part of the caseload. But Chretien may not have to satisfy himself with one choice. Most observers expect Quebec justices Claire L'Heureux-Dubé, who turns 72 on Sept. 7, and Charles Gauthier, 71, to leave the court in coming years.

The Prime Minister's unfettered opportunity to appoint a raft of judges is another sore point for the court's critics. "The Chretien appointments have been incredibly distinguished," allows University of Toronto political scientist Peter Russell. "But the public would feel better if prospective judges could be reviewed by Parliament." That opinion, once spoken softly from the margins, has become a louder in recent years as the judges' use of the charter to reshape laws becomes more apparent. "The charter does not speak for itself," says Eugène Méthvin, who worked for

Lamer in the early 1990s and is now a Supreme Court litigator at Lang Michener in Ottawa. "The judges do the talking. And they are doing a lot of talking. They are making clear public-policy statements."

The volume of criticism has been ramped up in the past two years. It began with 1997's so-called Delgamuoch decision, which bolstered aboriginal land claims in British Columbia—with far-reaching consequences. That was followed by the 1998 Viacom decision in which the court itself expanded Alberta human rights legislation to include gays. Critics accused the court of imposing its will on the Alberta government over an issue that belongs to the political arena. "They have set up a political trap of war between themselves and the provinces," says University of Calgary political scientist Ted Morton, a Reform party member and leading critic of the court. "The Supreme Court under Lamer has been an instrument of the federal Liberal party, advancing the interests of feminists, gays and lesbians, and aboriginals. Small-c conservatism is deeply disillusioned."

Even those who think Lamer is leaving the court on good shape recognize that wounds have been inflicted. "One of Lamer's weaknesses was the length of his judgments," says Russell. "What I'd look for in a new chief justice is a very fine opinion writer, not in terms of length, but in clarity." Others list different qualifications. "The chief justice requires the strength of a Clydesdale, the shrewdness of a thoroughbred, the bending instincts of a boxer and the thick skin of a doorknob," says Méthvin. It is the last characteristic that may be tested first and hardest over the coming years. ■



McLachlin: "We are accountable. We operate in open courts. We give reasons"

# The forest of the past

On the barren slopes of an ancient quarry, well above the Arctic Circle and today's tree line, stumps, logs and remnants of leaves that covered the forest floor 45 million years ago are still to be found in their original state. The fossil forest on Axel Heiberg Island, Nunavut, is even more extraordinary because it is not petrified, or turned to stone, but mineralized. Most other ancient forests have long since been reduced to coal or coal. But here in a gale-dry forest, the plants and trees have kept their original form and tissue. Other fossil forests exist in Australia and Germany, notes Jeroen Burgt, a paleobotanist at the University of Saskatchewan who has extensively studied the fossils of Axel Heiberg since 1995. "But this is the only one where in-

formation is exposed in this way."

That is itself an amazing concept. Although Axel Heiberg is at the top of the world, helicopters frequently drop by from the Canadian military base at nearby Etah, and in August an army of 150 passengers from cruise ships also visit the site. Some sample fossils or take photos for souvenirs. Burgt has arranged six stumps for study and display at the University of Saskatchewan and in Ottawa at the Museum of Nature. In fact, of more than 200 stumps that were recorded in one section of the fossil forest in 1991, less than half may still remain.

This summer, the fossil forest has also—and controversially—been packed with stumps dug by a search team from the United States. Funded



Axel Heiberg Island, Nunavut, Canada

by a \$1.6-million grant from the Andrew W. Mellon Foundation, the scientists came to Axel Heiberg to study what the site reveals about past climate and weather conditions in the area. Warm and forbidding now, Axel Heiberg's rolling hills bear traces of more than 20 separate forest layers, testifying to a lengthy warm spell during the Eocene period 40 to 50 million years ago when

mean annual polar temperatures ranged from about 15° C. Tall trees and under the towering redwoods of the Pacific Northwest—and possibly similar to birch, alder and swamp cypress—grew beside a meandering river delta hundreds of kilometers wide.

Some of these plants were 35 m high, with stumps 2.5 m around, and appear to have lived for as long as 1,000 years.

The existence of these fossils in the High Arctic was first noted in the 1880s by the Adolphus Washington Greely Expedition. But what has never been clear is how forests flourished in the latitudes where they slept through the long polar night. "We have an answer on Earth where the trees are so big and have to sit in the dark for three months," observes Art Johnson, di-

rector of the Mellon project and a forest ecologist from the University of Pennsylvania.

The American scientists plan to test samples to determine the levels of carbon dioxide and oxygen in the ancient atmosphere. This will tell them whether



Johnson: a unique site

the atmosphere 40 million years ago was loaded with the greenhouse gas carbon dioxide, or was more similar to today's despite the much higher global temperatures. Then, they intend to duplicate the ancient forest's living conditions with contemporary redwood seedlings grown in special chambers. In the end, the results may contribute to an understanding that, despite rising sea levels and increasing global warming, may also bring about some positive effects, with the possibility of productive

forests—the lungs of a healthy planet—emerging to the high latitudes.

Though it has a legitimate scientific interest—and approval from the Nunavut Research Institute and federal agencies—the U.S. team has faced criticism. University of Saskatchewan paleontology student Dorcas Porvilukoff, who also did research at the site during the summer, finds the intrusive searches are equivalent to digging up the Grand Canyon. David Gorman of the Canadian Conservation Institute has complained that the digging will expose more delicate fossils to the forces of erosion. But while the American scientists are urged by the critics, they stand by their search. "Some people think that this place is sacred, others want it for a picnic spot," says Johnson. "We think it's a scientific resource. Maybe it's good if Canadians decide what they want to do with it."

Jane George is Axel Heiberg Island

*"I worked and lived in two territories, two provinces and one state — while I got my master's degree."*

**Lynn Hendry, MA**  
Communications Officer  
Department of Indian Affairs & Northern Development, Northwest  
Director of this in Leadership of Young  
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## A glacier's secret

It was a moment, high in the mountains of northwestern British Columbia, when time stood still. Three B.C. schoolteachers, hunting for curly-horned Dall sheep in Tumbachetti provincial park, stumbled upon a number of hand-made artifacts—including a carved walking stick and a throwing board. Then, a few paces along, there was an amazing discovery: "Hem," said Werner Ward, a middle-school teacher from Nelson, "here's the poor fellow who lost all this stuff."

Hem, indeed. Frozen in a mooring glacier was the mummified body of a native hunter, perhaps thousands of years old, dehydrated but still largely preserved along with a woven cedar hat and leather clothing. For the teachers, it was a moment of heart-stopping discovery—and fate. "I've

been applying for 10 years to hunt sheep in this part of the country—it's a lottery system," said Bill Henrich, an industrial arts teacher in Elkford. "We had come by this ridge the day before it would have been covered in snow. A few days later, everything might have been washed away. This was incredible timing."

That was on Aug. 14. Two days later, the three friends hiked out and reported their find to authorities in Whitehorse, the nearest centre. After consultations with the local Champagne/Ambli/First Nations, the ancient hunter now lies frozen in a mausoleum in Whitehorse. Like the 5,300-year-old hunter found preserved in the Italian Alps in 1991,



Site where the body was discovered, ancient hunter

this latest find is attracting worldwide attention and promises researchers with a treasure trove. Pending suits, archaeologists will only speculate, but, on the basis of his clothing, the teen could be anywhere from 500 to 10,000 years old. "We were profoundly hit by the significance of the human presence," said Ward. "I had a sense, when I looked at the stitching, that someone loved this person enough to make this beautiful clothing."

Robert Sheppard



Bruce Wallace

## Order in the court

Politicians, lawyers and judges muddled on the equine police tributes at the news

Chief Justice Antonio Lamer would quit the Supreme Court next January. A knowledgeable jurist, went the chorus. Imaginative. A legal icon, the privacy, few real lawyers being cited in the corridors of Liberal Ottawa over Lamer's impending exit. The widespread view was that Lamer was a solid but unspectacular chief justice, not to be placed in the high company of predecessors like Bora Laskin or Brian Dickson. Lamer's recent decision to embark on a war of words with those who criticised his court for being too activist was regarded by many in Liberal circles as probably ill-advised and certainly too thin-skinned.

Lamer clearly placed great importance on the pomp and ceremony that came with the title. He may have simply been insisting upon proper respect for the chief justice's place in the Canadian power firmament, but many saw his behaviour as self-important posturing. He gave his deposition too much to gossip about. One lunch in a Montreal restaurant last month following the funeral of Jean Chrétien, Lamer complained to companions that funeral organisers had tracked up personal parking lots in the third row along side kingly federal and provincial cabinet ministers and behind the Quebec premier and lieutenant-governor, all of whom are entrenched in traditional ceremonial order by the chief justice. That Lamer would fuss about getting the right pew at a funeral surprised no one who knew him.

Perhaps that attitude was the inevitable outcome of spending 19 years on a court where even the individual office, tea and paces laid out in the conference room are fixed up for the judge in order of seniority. Justice Minister Anne McLellan has no such excuse for arrogance, though it didn't stop her from offering a condescending answer to those who want to open up the re-

lating closed process of having Supreme Court judges appointed directly by the Prime Minister. "I am very interested in hearing from Canadians on how they might help," she said at last week's annual meeting of the Canadian Bar Association in Edmonton. "That supplements our formal consultation process."

McLellan's surprisingly empty invitation for Canadians to fax, write or phone in suggestions shows the Liberals' occasional propensity to take Canadians for mugs. Does anyone believe that suggestions filed into McLellan's office will not be kept out into a blue box at the other end for quick acceptance? After last year's Supreme Court ruling on the rules of disqualification from the Canadian federation, the nine justices have become, potentially, central players in the messianic that might surround any future Quebec referendum. No one expects Jean Chrétien to do anything but appoint a judge with the most solid federalist credentials to replace Lamer. This will be a no-brainer choice, one that Chrétien is completely comfortable with no matter how many fascinating names pop up on write-in ballots.

But in asking for submissions, McLellan is doing more than simply being patronizing to those who don't like the current system. Canadians are not asked to nominate their judges. They simply want a chance to learn something about those soon-to-be-powerful people before their appointments are set in stone. They want it shown, for example, that Michel Bastarache had fine credentials for the court this had nothing to do with being a former Chrétien law partner—a fact that critics pounced on. But McLellan's comments showed the Liberals don't take the state of the court's legitimacy seriously. So strange they wouldn't recognize this growing problem, something even Antonio Lamer, for all his apparent aloofness, understood had to be addressed.



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## Vigilante shopkeeper

Fredericton shopkeeper George MacFarlane received a conditional discharge and was ordered to take an anger management course for blaming a grocery man with a shotgun during an attempted robbery in January. In a short burst across Canada, MacFarlane was taking out his anger—which had been rubbed five times—when thieves tried to break in and steal a can of cigarettes. Told by the judge he was a "non-criminal who had committed a criminal act," MacFarlane, who recently sold the store, was disappointed.

## Subway murder-suicide

A 41-year-old Toronto man jumped to his death in front of a speeding subway train, dragging his three-year-old son with him. Joybalkan Robinson, who immigrated to Canada from Sri Lanka in 1995, had been treated for depression for several years, not uncommon for new immigrants who leave family networks behind.

## No-fault election

A surprise election issue—Solomon's no-fault car insurance scheme—suddenly jumped to the top, leaving the ruling NDP to promise a review of the system and prompting the opposition Liberals to vow to abolish it. Angry accident victims say they are being further harassed by negligent insurance investigators. Meanwhile, in neighbouring Manitoba, a conspiracy theorist Guy Olmstead prosecuted his belief on everything from income tax to property and education levels.

## Discriminating psychologists

A professor at the University of Western Ontario in London has launched a human rights complaint against nearby St. Wilfrid Laurier University for the school's attempt to hire only a woman for its psychology department. Wilfrid Laurier wants to rectify a large gender imbalance in that department, but Western's Clive Seligman argues that any woman who meets the posting's other requirements—a doctorate degree and an active research program—cannot be seen as a member of a disadvantaged group needing special assistance.

## Canada Notes

## A cold case turns hot

Almost three decades after the sex murders of two women just north of Toronto, Ontario Provincial Police charged Ronald Weir, 52, a former Toronto police constable, with the killings. Doreen Mosby, 34, and Helen Ferguson, 37, were both raped and shot to death in their homes in May, 1970. The case was solved when, three years ago, the OPP entered Project Millennium, which reopened 196 unsolved slayings dating back as far as 1942. Police said that DNA evidence from semen samples saved from the crime scenes helped them build a case against Weir, who served on the Toronto police force for six years before resigning in 1972.

Weir is currently serving an eight-year sentence for robbery-related offences in the Stuk St. Marie, Ont., area. Last week, police said they are also investigating him in connection



Weir, Ferguson (left) an arrest after almost 30 years

with a 1991 double-homicide in Blind River, about 120 km east of the Stuk, where Weir was living. In those killings, a couple opened the door of their camper to a man posing as a police officer. He then shot and killed Jackie McAlister, seriously injured her husband, Gordon, and murdered Brian Major, a motorist who happened upon the scene.

## Bitter battle on the left

NDP leader Alex McDonough successfully engineered a historic party policy shift, winning an angry challenge from union leaders and left-wing stalwarts at the party's national convention in Ottawa. By a 2 to 1 majority, the 600 delegates backed McDonough's major change initiatives, including support for a balanced federal budget, debt reduction and tax cuts for middle- and lower-income Canadians. "It is time to change," McDonough told the delegates. But Ontario CLU leader Ed Ryan called the shift "an affront to social democracy."

## Leadership dreams

North Coast MLA Dan Miller was sworn in as British Columbia premier in the wake of Glen Clark's dramatic resignation on Aug. 21. Miller, 54, the province's fifth premier during this decade, said he would resign as soon as the New Democrats elected someone as leader. Gordon Wilson, former head of the B.C. Liberals and then the Progressive Democratic Alliance,

said he may run—only six months after crossing the floor to become an NDP cabinet minister. Federal NDP MP Suresh Robinson said he is considering jumping to provincial politics. Other hopefuls include Attorney General Ujjal Dosanjh, who presided over Clark's departure with the news that he was under criminal investigation in the granting of a clemency letter to a former and former finance minister Joy MacPhail, who resigned on July 16.

# BACK TO SCHOOL

# Online

For thousands of students, online learning is proving to be a match made in cyberspace

By John Schofield

It was a case of three educations. After three years of working 14-hour days, seven days a week, David Morris and Marian Bardsell made the tough decision to sell *The Robson Avenue*, the charming eastern Ontario wedding they had built from scratch. Pulling up stakes in the fall of 1997, the busy parents of two boys moved to nearby Kingston, Ont., and dove headlong into the challenge of beginning school. Eager to kick-start a new career as a management consultant, Morris, 41, went searching for an MBA program—the most obvious choice being the prestigious executive MBA offering at nearby Queen's University. But the price tag was a steep \$40,000. Instead, Morris chose Alberta's Athabasca University, available entirely online for \$25,000. Months later, Bardsell signed up with Athabasca as well, choosing to do an online master's program in distance education. "The flexibility is the greatest thing," says the 43-year-old software trainer. "I can work when it's convenient, and theoretically we could live anywhere in the world."

Morris and Bardsell are in good company. In Athabasca's online MBA program alone, enrollment has jumped fifteenfold to 957 since it was launched in 1994, making it Canada's largest executive MBA program by a nose. For thousands of students around the world, online learning is a match made in cyberspace. From courses in fly-fishing or nano mechanics

Morris (left), Bardsell, earning an MBA on his back deck

to a degree program from MIT, the offerings are boundless. Worldwide, more than 17,000 courses are now available entirely online—about 2,700 of them from Canadian schools—and the figure is literally growing by the hour. Thousands more combine an Internet component with brief stints on campus. According to the Minneapolis-based International Data Corp., about 15 per cent of all postsecondary students—about 2.2 million people—will be enrolled in online

courses by 2002 in the United States alone, compared with five per cent last year. Corporate powerhouses such as Microsoft, IBM and Disney are spending billions to cash in on the boom. In North America, IDC says, the Web-based learning market will grow to \$8.3 billion by 2002. "This is not just another form of distance learning," says David Johnston, president of the University of Waterloo and former chairman of the federal Information Highway Advisory Council. "What we have is a new set of tools. It's as profound a change as the founding of the printing press 500 years ago."

opening this fall of the Technical University of British Columbia, will help to keep Canada in the game. "It's important that we move with some sense of urgency," says Johnston. "This is a race that will go to the swift and the wise—and it's borderless."

It's a race that has some of the world's most venerable universities competing with brand new upstarts. In January, Britain's Oxford University launched its first online offering, a two-year certificate program in computer science. In April, Britain's Open University—one of the largest international



As the Information Age shifts into overdrive, the breakneck pace of change is creating legions of lifelong learners. Who is facing the online revolution? Forty per cent of those pursuing degrees in the United States are now over the age of 40. But their children are part of a parallel shift that is transforming the way teaching takes place in elementary and secondary schools (page 20). If Canada fails to capitalize on the trend, experts warn that it risks losing the advantage to a host of foreign rivals. The three Canadian universities specializing in online programs—Alberta's Athabasca, British Columbia's Open University and UQ's Université du Québec—are already at the forefront. New initiatives, such as the coming launch of Canadian Learning Television and the



## Some of the world's most venerable universities have joined the race, competing with brash new upstarts

online players—launched Open University of the United States. Meanwhile, many traditional American universities, blessed with wealthy backers and hefty endowments, are well positioned to capitalize on the boom. This fall, the Harvard School of Public Health will go online with a master's program in public health-care management. Stanford University, Columbia University, University of Chicago, Carnegie Mellon University and the London School of Economics have agreed to help create course materials for UNext.com, a venture backed by the former pork-bellied king, Michael Milken. While the initial plan is to deliver graduate-level courses electronically to corporate employees, the ultimate aim is to gain accreditation as an online business school.

Among the most aggressive players in the University of Phoenix, a private, accredited university with 56,000 students—9,000 of them online. Owned by the Apollo Group Inc., a publicly traded company based in Phoenix, Ariz., the university opened a mini-campus in Vancouver last fall. Meanwhile, Western Governors University, an alliance of universities in 17 states and Guam, counts such corporate giants as Microsoft and IBM among its investors.

Given the financial potential, academic leaders at Canada's cash-strapped campuses cannot afford to sit out. They will get a boost this fall with the launch of Canadian Learning Television, a new specialty channel spearheaded by communications czar Moses Zinsler. Initially, 50 per cent of the programming will be linked to Canadian college and university courses—many of them online—with the percentage rising to 70 per cent within three years. So far, the University of Waterloo and Athabasca have officially signed on. Athabasca offers members in seven, CLT will promote the so-called courses and carry some of the instructional TV produced by Waterloo. Says Peter Palfman, vice-president of finance and operations at CLT: "Schools know that television is a very powerful medium for presenting what they're doing, especially online."

Universities and colleges are also eyeing the multi-billion-dollar market for corporate training. In the United States, corporate training revenues will reach \$15 billion by 2001, predicts Serbis Information Inc., a Stamford, Conn.-based market re-



Johnstone: Microsoft supplies the tools of online learning, offering flexibility, but the best courses also offer small student-teacher ratios for interaction.

search firm. Experts believe the same rate of growth will be seen on this side of the border, and schools are banding for exclusive deals. "Education and training is what most people will be doing for the rest of their lives," says Ray McGee, executive director of Providence-based TelEducation. New Brunswick, "Just like manufacturing drove the world into the 20th century, education will be the largest industry in the world by 2010."

But Canada's share of the online market is already shrinking. At the elementary and secondary level, 90 per cent of educational software used in Canadian schools is produced outside the country. According to McGee, hundreds of Canadians are already turning to U.S. universities for online doctoral programs. The lack of Canadian course material has prompted some software producers to call for Canadian content regulations. In the meantime, Industry Canada plans to spend \$20 million in grants over the next three years as a bid to boost the volume of Canadian "learning."

The money is sorely needed. Online courses are expensive to develop. \$150,000 or more for quality packages. In a recent KPMG survey of 109 U.S. distance-education providers, 40 per cent said they are currently operating at a loss, although 92 per cent indicated they plan to expand. "We're just not seeing the same level of postsecondary investment in Canada," says Joanne Clancy, executive director of TeleLearning, Network of Centres of Excellence, a Vancouver-based research consortium funded by governments, universities and the private sector. "Few people are seeing the opportunities, or the competitive threat."

Canada is home to cutting-edge research, but the frays are not necessarily kept in Canadian hands. Watson what happened to WebCT, the world's most popular "courseware platform"—the software used to construct and deliver online

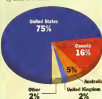


courses. Developed in 1996 by Murray Goldberg, a computer science professor at the University of British Columbia, it is now used by 807 institutions in 66 countries. In May, WebCT was sold to Massachusetts-based Universal Learning Technology.

Calgary's Southern Alberta Institute of Technology is a veteran in the development of online technology, and has ambitious plans for the future. In the 1980s, it developed its own courseware platform, The Learning Manager, then sold it to be bought by a U.S. company in the early 1990s. Last May, SAIT's wholly owned online learning subsidiary, Specific Learning Systems Ltd., bought it back—part of a \$133-million plan to transform itself into Cylex-SAIT by 2002. The ambitious initiative aims to offer at least 45 per cent of SAIT's courses online.

### Virtual learning

Lessons in online education, by share of course



### Hot subjects

With an Internet connection, many online courses are available around the world. The subjects that dominate virtual learning by number of courses:

Applied sciences, technology	4,392
Business, economics	3,248
Social sciences	2,818
Arts	2,575
Sciences	1,557
Education	1,007
Health and medicine	950
Personal interest, leisure, sports	478
Vocational training	368

and to double the institute's size by attracting another 10,000 full-time students by 2004. "We asked, 'Do we want to be a world player and move into other fields' backed, or do we want to sit here and let other people come into our backyard?" says Bob Thompson, SAIT's director of the Centre for Learning Systems. "You either grab it and swing with it, or you end up giving the other way."

Toronto's Seneca College is also among the leaders. This fall, the 20-year-old institution will launch online courses in such fields as fire protection and early childhood education; one in aviation training is in the works. This month, it will officially open a new \$55-million virtual campus on the grounds of York University. Designed to incorporate future advances in technology, the centerpiece of the campus is The Learning Centres, which includes an electronic library service and an extensive computer lab that gives students access to distance education programming and Internet services around the clock.

Universities are also mobilizing quickly. The University of Waterloo. By the fall of 2000, the engineering and high-tech powerhouse will be offering 30 undergraduate courses completely online, up from one offering in 1997. The Technical University of British Columbia, Canada's newest, will officially open this fall with the aim of including an online component in every course. Many will be 100-per-cent Web-based, and the university will work closely with industry to provide customized training schemes.

To help Canadian schools keep up with the competition, Industry Canada has encouraged the formation of consortia to develop and deliver online courses. In Atlantic Canada, six universities have banded together to develop and deliver first-

## A convergence of corporate and educational interests makes many teachers decidedly nervous

your university courses online. Connect South is a grouping of 18 Ontario community colleges, while Carleton University brings together Brandon University, the University of Winnipeg and the University of Manitoba—all aiming to share courses for distribution primarily over the Internet. And in a trend evident throughout the world of education, Canadian schools are forging increasingly closer ties with the corporate sector to advance online ventures. Says SAIT's Thornborough, "When you start working in a global environment, you can't go it alone."

The convergence of educational and corporate interests makes many teachers decidedly nervous. The commercial imperative to drive down costs and maximize profits is bound to jeopardize jobs, they say. At the university level, professors are also concerned about the issue of intellectual-property rights. In 1997, professors at York University in Toronto went on strike, partly over the right of faculty to refuse to sign over original teaching materials for Internet courses. A clause allowing them to opt out of online programs was subsequently written into their collective agreement.

At *Nova Scotia's Acadia University*, the technology debate sparked a noisy, high-profile battle. Three years ago, the school launched the Acadia Advantage program, designed to enhance the learning environment by applying information technology to the classroom. Many professors worked to sink, and the dispute went to the brink of a strike. Last fall, a clause was added to the collective agreement, encouraging faculty to explore the use of technology, but leaving the final decision to them. Says Diane Lawless, vice-president of Acadia faculty association, "A lot of teachers are going to be brought around online courses."

To be sure, the perils painted by technology's most zealous boogymen is a dramatic one. McGreal of TeleEducation New Brunswick explains software that would allow hundreds of thousands of students to take a single course, offered at a course price. But many report that serious. The best online courses because relatively small student-teacher ratios of no more than 15:1. Discussions can be more focused, in fact, than some lec-



McGreal at TeleEducation New Brunswick's Fredericton office. "Education will be the largest industry in the world by 2010."

ture. Says Suzanne MacDonald, associate dean of Adirondack College at York University, "In an Internet course, everyone will e-mail you." A two-year evaluation published in July by the university's Centre for the Study of Computers in Education found that students who took Internet courses achieved marks that were as good or better than those who completed the same course in class. The ability to interact online may actually motivate some students more, the authors concluded.

It's working for Mary Wosterhof. To upgrade her skills, the 42-year-old registered nurse from Hamilton is working her way through an online diploma program in psychiatric nursing offered by British Columbia's Douglas College. She likes the price: \$180 per course compared with more than \$300 for a traditional course at nearby McMaster University. (Online courses can cost as much or more than their conventional counterparts, but students save thousands on accommodation and travel costs that regular students incur.) Wosterhof, a single mother of five, also loves the flexibility. Says Wosterhof, "The classroom is set on my time."

For others, however, online learning still pales beside face-to-face instruction. "It takes a while to get over the feeling that you're working in a computer vacuum," says Ashabasca graduate David Morris. "That's a major hurdle, but you do get over it." In the end, Wosterhof Johnson cautions that the tools of online education must be seen primarily as a means to extend learning, of presenting knowledge in a wider variety of forms. "The role of critical thinking, which face-to-face teaching tends to teach best—has never been more important," says Johnson. "The human search engine is the best search engine of all." As Canadians adjust to the brave new world of online learning, that message may be the most important one of all. ■

### Helpful sites

- TeleEducation New Brunswick's database of online courses: <http://telecampus.edu>
- The Network for the Evaluation of Educational Technology at McMaster University: <http://ascsm2.mcmaster.ca/serve/evet.htm>
- The TeleLearning Network of Centres of Excellence at Simon Fraser University: <http://www.telelearn.ca/>
- The Distance Education Clearinghouse at the University of Wisconsin: <http://www.wisc.edu/disted/home.html>



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# WELCOME TO THE Wired CLASSROOM

Is it a brave new world or a threat to the learning environment?  
Parents and teachers debate the value of technology in a cash-strapped world

By John Schofield

**Stephen MacKinnon's students** are a worldly bunch. For six months last year, his Grade 12 Internet Technology class in the tiny town of Airdrie, Ont., participated in a "virtual classroom" course, working with schools in Australia and the United States. Together, the cosmopolitan group brainstormed Mission 2000, an elaborate Internet game that challenges players to save the world from the Y2K computer bug. Across several time zones, the students conducted real-time web sessions using instant-messaging software. It proved to be a winning effort: last May, MacKinnon awarded to Hong Kong—with two students in tow—to accept second prize in the high-school category. "This is revolutionizing the way Internet communications," says MacKinnon, 46. "And it's happening before our eyes."

No one's denying the new. Long before the advent of the Internet, educators and parents debated the risks of computers in the classroom. Now, many fear the intrusion of the Internet in the teaching environment. Others worry that the cost of wiring the classroom may threaten teachers' jobs, or encourage cash-strapped school boards to seek corporate support. But advocates argue that the Web makes education more accessible, equipping students with the tools they need in a knowledge society. Says Thelma LaFreniere, professor of education at Loyola University: "The teacher ends up being a guide, rather than a transmitter of information."

Ottawa is wading no time in being the groundswell. Last March, Canada was the first country to plug every public library and school—18,263 in total—into the Internet (by 2001, the SchoolNet program—funded by Ottawa, the province, school boards and corporations—plans to connect each of the country's 125,000 elementary and secondary classrooms to the Internet).

The ranks of the wired are growing quickly. Rory McGivern, executive director of the federal-provincial agency Multimedia Education New Brunswick, estimates that about 25,000 students from kindergarten to Grade 12 are enrolled in online courses. In Alberta, an acknowledged leader, 3,500 full-time students and 1,800 part-timers were involved in virtual schooling last

year, compared with less than 200 in 1997. Twenty elementary and secondary schools in the province now offer online courses. Some, such as St. Gabriel Cyber School in suburban Edmonton, are true virtual schools, specializing exclusively in Web-based learning. The province provides a computer and Internet access to families who have-school their children under the supervision of a local board, charging a \$100-a-year technical fee and \$60 for textbooks. All parents are free to choose home schooling, and Net-based courses have become a staple in many of those households. "The technology is very much in its infancy," says Lyle Oberg, Alberta's minister of learning. "But we feel it is the way of the future."

In British Columbia, roughly two per cent of the entire school population is taking Web-based courses developed by their own schools or by Open School, a division of the provincial Open Learning Agency. In certain districts, online courses are being used to relieve overcrowding.

In Ontario, the provincial educational channel has been a pioneer in promoting extensive distance technology. TVOntario's three-year-old Galaxy Classroom program uses videofax and computers to teach elementary science and language arts courses to students in more than 300 Ontario schools, including an Internet component that allows classes to collaborate as projects across the province. Jon Denton, creative head of educational programming for the channel, says online education is making away from whole courses to study modules, allowing students to learn at their own pace. Says Denton: "If used appropriately, it can make you more confident as a learner."

The best online courses offer a range of opportunities to interact both with the teacher and other students. Stephen Baker, a science teacher at South Huron District High School in Erieville, Ont., works part-time designing his board's online courses. He incorporates discussion boards that allow children to ask questions of others. And once online students can find themselves into thinking they know more than they do. Baker includes a quiz at the end of each page. Almost every course includes a real-time chat room that is off-limits to the teacher. "That takes the place of the cafeteria," says Baker, 48. "What we're trying to do is replicate a school session on the computer."



MacKinnon with students: the teacher becomes a guide, not a transmitter of information

B.C., increased the number of computer problems. Dyck, who is also president of the Computer Using Educators of British Columbia, a professional development group within the B.C. Teachers' Federation, says that her program estimates that having a part-time support person for each elementary school in the province would cost more than \$300 million a year.

According to Heather-pine Robertson, author of *No More Teachers, No More Books*, the struggle with computers decreases the teacher's role. Robertson promotes an almost complete abolition for technology. Ultimately, she argues, the cost of computers will force school boards to cut teachers' jobs. "I've never argued that there's a hand-needs-tool-to-buy computers rather than teachers," says Robertson. Ottawa-based director of professional development services for the Canadian Teachers' Federation. "On the other hand, I think it's obvious that that's one of the consequences."

What Robertson calls "technolau," combined with chronic underfunding, is prompting some school boards to turn to corporate sponsors. This fall, a handful of boards in Newfoundland, Ontario, Manitoba, Saskatchewan and Alberta will welcome the North News Network, which broadcasts a 120-minute television news program to classrooms each day, with 2½ minutes of commercials—in co-

operation for about \$150,000 worth of state-of-the-art computer equipment per school.

Some parents are starting to question the proliferation of online education. In a survey conducted last June by the Angus Reid Group, 56 per cent of those questioned felt students are spending too much class time on computers. Toronto parent Anna Kadden, co-founder of People for Education, a parents' group, argues that buying computers has become an easy way to placate parents. "What's of more concern to me," says Kadden, "is whether there are enough books and teachers in a school." Cam Gibb, a parent from Thunder Bay, Ont., says his son Randy's Grade 4 math mark dropped to a D from a B because classroom computers were causing too much distraction. Says Gibb, 39: "He told us that a lot of the kids were making their homework so they could get to the computers."

Many researchers maintain that computers, when used properly, can improve student performance. Markie Scardamalia and Carl Berntsen, professors at the Ontario Institute for Studies in Education, report that students of all ages have achieved superior results on standardized tests through the use of Knowledge Forum, a software package they have developed over the past 10 years. Used in 107 schools in 10 countries, the product allows teachers and students to build on one another's knowledge by entering questions, comments and information on a given topic into a common database. This communal environment stimulates students' natural curiosity, fostering self-assessment, teamwork and the ability to transfer ideas to new contexts. All are highly valued skills in a knowledge economy. "The teacher has to be very critical about watching knowledge advance," says Scardamalia, "rather than controlling it." That kind of assessment is pretty revolutionary. "It's a revolution, like it or not, that's well under way." ■

# Wounds and Nightmares

Canadian soldiers help treat the troubled survivors of Turkey's earthquake

By Barry Carr

In Turkey, Christine Smith tends to drowsy orphans. The 33-year-old from Whitby, Ont., is not only tall and blond, but she is also a master carpenter in the Canadian Armed Forces. And female soldiers are still a novelty to the Muslim crowds who gather daily outside the medical tent pitched amid the rubble of what used to be the flourishing provincial city of Adıyaman. It lies 140 km east of Istanbul, and only 50 km from the epicentre of the earthquake that devastated the country. More than 90 per cent of the city's 200,000 people are now homeless. Most live in the streets, the bodies crisscrossed with medical tent supply when Master Cpl. Smith, in her combat fatigues and floppy Tilly hat, arrived last week, along with 200 other members of the Canadian military's Disaster Assistance Response Team.

Smith has been busy ever since. An army medical assistant, she is in charge of visiting patients at the facility that has been hastily turned into a soccer stadium at Sivaslı, one of Adıyaman's many sprawling suburbs. For the most part, the afflictions are physical: broken bones, lacerations, viruses and infections, and other ailments suffered during the tsunami quake that so far has claimed an official toll of more than 13,000 lives and could approach 40,000 dead when all are accounted for. But some of the wounds the Canadian team has encountered are less visible. "There's been emotional trauma as well," Smith remarked last week as she circled around the camp, ensuring treatment at Sivaslı's stadium. "A lot of these people can't get any sleep



Many are having recurring nightmares. What they're afraid of is that the whole thing might happen again."

Given the region's geography, aside a major fault in the earth's crust, the fear is not misplaced. Minor tremors have been rattling windows—and nerves—all over the country since the Aug. 17 earthquake, which measured 7.4 on the Richter scale. Only last Wednesday, Ankara residents fled to the streets when a tremor with a magnitude of 6.7 shook the Turkish capital. During the past century, 108 serious earthquakes have struck Turkey. More than 50,000 people died in the last 30 years alone, well before the big one.

The fact that the most recent quake still managed to catch the country's political and military leadership almost totally unprepared has provoked a swelling chorus of uncharacteristic public outrage. President Süleyman Demirel is now routinely booed in Istanbul's coffee shops and tea gardens when he appears on television. Prime Minister Bülent Ecevit was forced to admit last week that the public "had a right to complain" about the government's reaction to the crisis. Even Turkey's much-maligned military, normally a revered institution, has been in-



Collecting kitchenware from debris in the town of Yalova, Nery Lova. Felipe Estrella covers a portion of the lives of earthquakes

publicly asked over the coals in newspaper columns and TV broadcasts. Turkey's parliament, meanwhile, set up a committee to investigate building regulations that permitted the construction of shoddy apartments incapable of withstanding major earthquakes, a

principal reason why so many died in the disaster.

Despite such measures, authorities in Adıyaman remain skeptical about any early improvement of the situation. Erdogan Demirel, a municipal councillor in Sivaslı, roared acidity that was a single member of Turkey's parliament had yet contacted the local government. "We haven't heard a word from anybody in Ankara," he remarked with disgust. "They should have been here. They are, after all, our representatives."

As an example of the government's attitude, Demirel pointed to statements from Turkey's right-wing health minister, Osman Dönmez, who claimed that the country did not really need any of the massive foreign assistance it has been receiving. On the very day that Demirel, a member of the neo-fascist National Movement Party, issued those comments, the members of Canada's DART outfit, who came from bases across the country, were quietly helping out as they set up their facilities at Sivaslı's stadium.

Lt.-Col. Kenneth Chaddler, DART's commanding officer, chose to respond to Demirel's comments by generating a new sense of local solidarity as he gathered on the stadium's soccer field to swear the completion of a 30-bed first-aid station capable of handling 500 patients a day. "There's certainly the need to do something here," remarked Chaddler, who is based in Kingston, Ont. "This is obviously one of the hardest-hit areas in the country. And there does not seem to be a lot of local resources available to look after the local population." The lo-

cal media had already pilloried Demirel for his comments.

In its first 24 hours of operation, DART's facility treated 70 patients, and by week's end that had reached more than 200 a day (slowly somewhat by the need for translation). "Right now, what we're seeing is chest and back pain from impact when walls and furniture fell on people," said Paterson, Ont.-based nurse Lisa. Peter Clifford, 38, one of the doctors in DART's 45-member medical team. "In general, most of the things we're seeing eventually will settle down by themselves. Most of these people have deep bruising. We'll give them pain medication, and treat their symptoms." But Clifford, an Ontario nurse, fears there is worse to come for the most displaced residents during the months planned 90-day stay. "The major problem of being outdoors in cramped conditions in the spread of epidemics," he said. "Improper sanitation and waste disposal can lead to cholera."

To help prevent such outbreaks, the 60 members of DART's engineering unit were busy setting up a water purification system last week. Once in place, it will allow the team to pull 300,000 litres of water a day from a nearby lake and purify it with the aid of a portable eight-metre filtration plant. There, as well, are million-watt water purification tablets, supplied by the Canadian International Development Agency along with 1,000 tents and canteens.

Cpl. Sean Ross, an army engineer from Regina, helped locate the fresh water resources during an enormous tour of the region. It was a task neither easy nor performed during a tour of duty in war-torn Bosnia in 1996. "It reminds me a little of Bosnia here," he remarked last week as he worked on the water purification plant. "The only difference is the lack of bullet holes all over the place." Now, it seems, can sometimes work as much horror as mischief.

With Laurie Ulsky in Adıyaman

## Healthy Reading Ahead



Maclean's proudly presents the full edition of the *Health Digest*, Canada's leading medical publication. This special issue will appear in Maclean's Sept. 20, 1999 issue and will contain several fascinating features including:

- **The Effects of Environmental Contamination:** Emerging evidence shows pollutants are contributing to an astronomical increase in childhood asthma and that chemical remodeling hormones may be responsible for conditions such as cancer, genital deformities and lowered IQ.
- **Coping with Chronic Pain:** Exploring the often devastating effects of chronic pain and what can be done about it.
- **Teen Pregnancy:** Half of all sexually active teens have mistaken ideas about birth control and sexually transmitted disease. Good sex education is the best way to prevent unplanned pregnancy.

Look for your copy in Maclean's on newsstands starting Sept. 13.

**Maclean's**

PLEASE RECYCLE TO CONSERVE

## World Germany

### Back to the cabaret

Berlin rises again as the government abandons Bonn



Schröder waving his new home last week like moving from Ottawa to Montreal

German Chancellor Gerhard Schröder has traded a comfortable office in a quiet town with a view of a lush green park for one looking out on to a gold-mined horizon of Socialist architectural leech and a big parking lot. Still, when he moved into his new digs last week, the arboreal Schröder grinned: "I'm happy to be able to be in Berlin."

Imagine the government of Canada—or most of it—moving from Ottawa to Montreal. The magnitude of the change in atmosphere—political, cultural, historical—would be something similar to what Schröder's transfer from Bonn signalled last week. For starters, there are Germany's former two solitudes. Schröder's new office sits in what until 1990 was part of the coldly Communist state of East Germany, isolated off for decades from the Allied-controlled western half of the divided city by the Berlin Wall. "If someone had dared to make this prophecy a dozen years ago," said Schröder, "he would have been dismissed as being out of his mind." The new capital was also the headquarters of Adolf Hitler's Germany which still underlies

some. The imposing grey building being taken over by the foreign ministry was originally built to house Hitler's Reichsbank. And while Berlin has long thrived as a site as a centre of the German Enlightenment, it took 11 years of debate to decide to build a memorial to the Holocaust victims.

Yet the move is a grand comeback for the city whose postwar decadence was celebrated in the dark musical Cabaret. During the Cold War, West Germany established its provisional capital in dowdy Bonn, which the first chancellor, Konrad Adenauer, noted was, conversely, "a city without a past." East Germany, whose territory surrounded the former capital, governed from East Berlin—until shortly after the Wall came down on Nov. 9, 1989. Then in 1991, voters decided that Berlin would once again be the capital of a unified Germany.

Like Schröder, plenty of government servants making the move are pleased about it. Berlin, with 3.5 million people, is simply a lot more fun than 300,000-strong Bonn. It may not be as lovely as it was when Nazi propaganda jazz



## AIDS Walk Toronto 10th Anniversary Milestones

To register for AIDS Walk Toronto call (416) 340-WALK or visit our Web site at [www.toronto.com/aidswalk](http://www.toronto.com/aidswalk)

**T**en years ago I volunteered as a route monitor for the first AIDS Walk. It was such a rewarding experience that the next year I joined a committee. Each year, my involvement grew and the rewards became greater. The rewards are the millions of dollars raised, the thousands of people who cared, the hundreds of volunteers I've met, and the 10 years of support that have truly made a difference," says Trevor Kruse, Chair of the Walk's volunteer Steering Committee.

Since the Walks began, immense numbers of participants have raised more than \$5 million in the fight against AIDS through AIDS Walk Toronto.





in North America, having raised close to \$2 million in just five years. Two years later, From All Walks of Life officially changed its name to AIDS Walk Toronto and for the first time was joined by over 50 other communities across Canada — from Carleton Place, Ont., to Victoria, B.C. This national effort to raise funds and awareness for AIDS education, support and services continues today.

As sponsoring agency for AIDS Walk Toronto, ACT is a community-based, non-profit organization that provides



What they did not know at the first Walk in 1993, was that this event for the AIDS Committee of Toronto (ACT) would grow to become the largest single-day AIDS fund-raising event in Canada and the largest walk of any kind in the City of Toronto. AIDS Walk Toronto looks forward to its 10th anniversary on Sunday September 26, 1999, where supporters will celebrate 10 years of public and corporate support in the fight against AIDS.

Last year, 18,000 participants raised over \$790,000 and organizers need your help to increase these numbers this September 26. AIDS Walk Toronto will take place at the city's Nathan Phillips Square starting at 2 p.m. After the Walk, ACT will again host the Heroes' Victory Party. This post-walk reception welcomes all walkers who raised \$130 or more in pledges. Last year, this party featured singer Amy Sky and was held at the Design Exchange. "The Heroes' Victory Party is remarkable. Everyone is basking in the day's success and reveling in the evening's celebration," says Kruse.

In 1994, the Walk was recognized as the largest single-day AIDS fund-raising event in Canada, and among the largest

health promotion, support, education and advocacy services to men and women infected and affected by HIV/AIDS. Established in 1983, ACT is Canada's largest and second oldest AIDS service organization. ACT's staff of 36 is supported by hundreds of dedicated volunteers.

ACT shares a significant portion of the proceeds from its fund-raising events (including AIDS Walk Toronto) with other local AIDS service organizations through the AIDS Committee of Toronto Community Partners Fund. Last year, this fund dispensed \$240,000 to 31 other local AIDS service organizations, including Positive Youth Outreach, Voices of Positive Women,

The Terest Group, Toronto People With AIDS Foundation and African in Partnership Against AIDS.

Because of the generous corporate and community support AIDS Walk Toronto has received, ACT is able to provide a range of HIV prevention and support services to diverse communities. ACT's services include counselling, support groups for HIV-positive and HIV-negative people, drives to health-related appointments, help completing income tax returns, workshops for peo-

ple living with HIV/AIDS, help with charters around the house, and community outreach and education. ACT also has the largest publicly accessible AIDS library in North America. ACT receives more than 63 per cent of its total funding from private sources, including its three major fund-raising events. In addition to AIDS Walk Toronto, ACT's other major fund-raising events are Fashion Cares and Dinners for Life.

## AIDS Walk Toronto 10th Anniversary Teams

Corporate and Community Teams play a large role in the success of AIDS Walk Toronto. The number of Teams has grown each year and in 1998, over



250 Teams collectively raised almost two thirds of the event's total. Last year, The Loyalty Group (AIR MILES Reward Program) received ACT's James Thatcher Award for Outstanding Team Performance. Through an aggressive Team campaign including Business Casual dress days, a garage sale, a cul-



ture and silent auction, The Loyalty Group's Team raised over \$26,000.

Geny Koolhof of The Loyalty Group leads his Team with a committee of dedicated staff. Of the spirit of his team, Koolhof says, "Since 1994, The Loyalty Group and the AIR MILES Reward Program has been a proud supporter and sponsor of this important cause. This year, The Loyalty Group has set a goal of \$30,000 and locked off our fund-raising campaign with our second annual Garage Sale. Making us debut was The Loyalty Group's own Cookbook, which was one of the hottest items at the Garage Sale." Each year these Teams has grown, and they are a shining example of Corporate Team leadership. The

Loyalty Group and its 600 employees look forward to this year's 10th AIDS Walk Toronto. "We continue to encourage corporate teams to make this year's Walk one that will be used to benchmark future events," says Koolhof.

Corporate Canada, in particular, has taken the lead in the fight against AIDS with its continuing sponsorship of AIDS Walk Toronto, its support of smaller events leading up to the Walk, and its major Team presence. These efforts, as well as the dollars they donate and

AIDS, but also awareness, compassion and energy.

On the day of the Walk, Corporate and Community Teams are encouraged to bring signs or banners announcing their Team name and any other message they want to relay. They may also design and wear matching Team uniforms. Working on this together will make your Team experience fun and rewarding as you share your success at Nathan Phillips Square and throughout the Walk route.

To make a donation to ACT by credit card, please call (416) 346-5484 ext. 335 or visit ACT's Web site at [www.acttoronto.org](http://www.acttoronto.org)

AIDS Committee of Toronto (ACT)  
369 Church Street, 4th floor  
Toronto, Ontario M5B 3J8  
Tel. (416) 346-2437  
Charitable Business Number  
12377 5024 R30900

Public Access Hours  
Mon. - Thurs. 10 a.m. - 6 p.m.  
Fri. 10 a.m. - 5 p.m.

## In 1998/99:

- 30,024 people visited ACT's Access Centre for information resources
- \$3,188 incoming calls were received at the ACT's helpline
- Our Counsellors provided 2,436 counselling sessions
- 421 rides to medical appointments were provided to people living with HIV/AIDS through the Drives Program

Members of ARIDO are concerned everyday with the Life, Health and Safety of the Public.

For the Tenth AIDS Walk Toronto, that concern becomes commitment.

With support from industry suppliers, Teknion, Global Contract and mandatory liability insurance brokers ADN, Reed Stanhouse Inc

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## World

Gobbel arrived in 1926 and noted that "this city is a melting pot of everything that is evil—prostitution, drinking houses, casinos, Marxists, Jews, snippers, ragged dancing and all the offshoots of modern art." But there is a lively art scene, museums galore, three major opera houses—everything a big city needs, often in duplicate due to Berlin's decades of division.

The trick for some government servants is not to appear too joyful about leaving Bonn. According to the Capital City Treaty signed in 1992, six ministries will remain, including Defence, Health and Environment, to ensure that Bonn doesn't turn into a ghost town overnight. "I am so happy to be here—there's nothing going on in Bonn," said a Berlin employee of one of them. "But you can't quote me because that is a political hotbed's nest."

In fact, so strong is Berlin's attraction that civil servants' staff councils are deciding that Bonn-based workers actually work in Bonn. Frank Niggemeyer, head of the health ministry's staff council, defends the logistics of running a ministry in Bonn and a government in Berlin. He's a big fan of videoconferencing. "It forces you to speak clearly and get to the point quickly," Boudier says. Niggemeyer, "if DuPont-Chrysler can conduct business despite being based in Stuttgart and Detroit, then it would be ludicrous if the federal government couldn't manage to work in Berlin and Bonn."

While the German government doesn't want to abandon Bonn, most foreign governments do. The Canadian Embassy, which officially opened its doors in Berlin on Aug. 12—also in rented space in the International Trade Centre—will close its Bonn base in January. It plans to move into a new embassy near Potsdamer Platz in the city centre by 2001. Right now, however, Philip Somerville, the embassy's No. 2 diplomat, is simply trying to find what's what in Germany. "Our immediate challenge," he says, "is tracking down our contacts." He may have to try the newest trendy Berlin expression.

Karen Nickel-Ashak in Berlin



**Maclean's  
IN-CLASS  
PROGRAM**

## Proudly presenting the winners of 1999 Maclean's In-Class Program Student Writing Awards

Students submitting entries to the Writing Awards responded to the question, "Which events in the 20th century have had the greatest impact on Canada?"

### 1st Prize - \$500

to

**Andrew Butler**

Grade 5 student at Spitzner School, High River, Alberta,  
for his essay on the 1917 battle at Vimy Ridge

### 2nd Prize - \$200

to

**Nick Singh**

Grade 9 student at A.B. Lucas Secondary School, London,  
Ontario for his essay on the 1917 battle at Vimy Ridge

### 3rd Prize - \$100

to

**Joel Ralph**

Grade 11 student at Lockerby Composite, Sudbury,  
Ontario for his essay on Expo '67

## Congratulations to all the winners!

Special thanks to all the students who participated in the Writing Awards, and to their teachers who taught and encouraged them.

For more information on the In-Class Program or the  
Writing Awards, call 1-800-463-1351 or (416) 596-5814,  
ext. 1034; 596-5804,  
email: [maclean@canada.ca](mailto:maclean@canada.ca) or  
[info@canada.ca](mailto:info@canada.ca)





## A cruise liner collision sparks Titanic fears

The luxury cruise liner Norwegian Dawn, its bow littered with containers, sits tilted in Dover, England, after colliding with a Taiwanese container ship in the English Channel. The cruise vessel was carrying 2,400 passengers and crew, 20 of whom suffered minor injuries. One passenger said she feared "another Titanic" during the thunderous nighttime crash, which officials are investigating.

## Money scandals and Boris Yeltsin

Russian President Boris Yeltsin and his two daughters have been caught up in a wave of allegations about financial misdeeds and money laundering by government officials and criminal organizations. According to reports in three major U.S. newspapers, as much as \$22 billion, including loans from the International Monetary Fund, may have been moved through two New York banks in 1998 and early 1999 by Russian crime figures with links to the government. Authorities in Russia, Britain and the United States

said they are investigating five current or past members of the Yeltsin regime to determine their possible roles.

Yeltsin and his daughters, Tatyana Dyachenko and Elena Chalkova, were accused of improper dealings with a Swiss company, Milstein, which has received contracts worth hundreds of millions of dollars to refurbish major government buildings, including the presidential palace at the Kremlin. A leading Italian daily, *Corriere della Sera*, reported that Milstein deposited \$1.5 million in a Hungarian bank account in 1994 for the Yeltsin's personal use and gave the president's daughters credit cards. A Yeltsin spokesman denied the charges.

## A big sting hits Miami airport smugglers

After a two-year undercover sting operation, federal officials in Miami charged 58 airport workers with importing and distributing drugs and weapons aboard commercial jets. The group included American Airlines baggage handlers and food workers employed by LSG/Sky Chef, partly owned by Toronto-based Cnaac Corp. The employees allegedly breached pass security personnel and loaded, unloaded or mishandled packages of illicit goods, including cocaine from Colombia. America is the largest carrier between Latin America and the United States.

## The FBI and Waco

U.S. Attorney General Janet Reno confirmed reports that the FBI used "psychoactive" tear-gas canisters during the fiery siege of the Branch Davidian compound in Waco, Tex., in 1993. But the canisters they were used hours earlier and did not start the blaze that killed 80 members of the Christian cult, including founder David Koresh. Opening a new probe, an angry Reno said she would find out how the information was kept from her for six years.

## Congo peace pact

Rebels fighting Congo leader Laurent Kabila said they would sign an international peace agreement this week, with a ceasefire set to begin on Sept. 1. The pact was agreed to in July by six countries and three rebel factions, but disquiet among the rebels prevented its signing. The year-old war in the heart of Africa has involved troops from Uganda, Rwanda, Zimbabwe, Angola and Namibia as well as Congo.

## Timor violence

At least a dozen people died in violence leading up to the Aug. 30 vote on the future of the Indonesian territory of East Timor. UN officials said army-backed militia favoring autonomy under Indonesian rule had attacked pro-independence sympathizers.

## Australia's 'regret'

In a long-awaited parliamentary motion, Australian Prime Minister John Howard declared the country's "deep and sincere regret" over its treatment of aboriginal people. Many aboriginal leaders, however, said they still wanted a full apology, which Howard has resisted amid fears that it could fuel claims for compensation.

## Bosnian suspect nabbed

A leading Bosnian Serb general was arrested in Vienna and flown to The Hague to face previously secret war crimes charges. UN prosecutor Louise Arbour, soon to join the Supreme Court of Canada, and she sent an armed woman to Austria after the learned Gen. Momir Talic, accused of crimes against Muslims and Croats in 1992, would be in Vienna for a conference.

ADVERTISING SUPPLEMENT

# RESPS

## INVESTING IN YOUR CHILDREN'S FUTURE

**S**aving for your children's education has never been easier than it is today. Your first choice for meeting this objective is a registered education savings plan (RESP) because of the federal government's Canada Education Savings Grant.

For every \$1 you put in, the government will throw in an additional 20 cents, up to \$400 a year based on 20 per cent of the first \$2,000 in

annual contributions you make for each beneficiary 17 years of age or younger. That's up to \$7,200 in total per child. Moreover, the income earned on your contributions and the government grant grows untaxed. And if your child decides not to continue his or her education, you might even be able to roll the income from the RESP into your RESP.

➔➔



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Baby Alex's, 4 weeks

Set up a Trimark® RESP and the federal government will contribute up to \$400 per year per child\*. That's up to \$7,200 extra towards each child's post-secondary education costs. Call your financial adviser or Trimark at 1-800-TRIMARK to find out how easy it is to get your Canada Education Savings Grant. When it comes to creating a legacy for your children, it's never too early to take the first step.



\*Canada credit rules apply.

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Registered Education Savings Plan

EVERYONE'S SUPPLEMENT

## RESPs are Best

If you have a child entering college or university this fall, you can anticipate costs of up to \$50,000 by the time he or she graduates. The actual amount will depend on the institution, course of studies, location and whether the student lives at home, off campus or in residence. University undergraduate tuition fees are around \$5,000 per academic year. Residence fees are about \$4,000. Add in the cost of books, transportation, clothing and entertainment and the outlay per year will almost certainly exceed \$12,000.

Those figures are in today's dollars. Assuming two-percent inflation, you can expect the costs will be close to \$58,000 if your child is eight years away from finishing high school. For a newborn who will enter college in 16 years, plan on having more than \$72,000.

The amount you should be saving each year depends on your time frame and the rate of return you can earn on your savings. If you are saving for a newborn and can earn six per cent on your money, you can reach your goal by setting aside about \$2,200 a year. If your time horizon is eight years, you will have to find \$5,000 each year assuming a six per-cent rate of return, only \$4,000 of which you can contribute to a RESP. Your actual rate of return will affect the types of investments you hold.

You will not get a deduction when you make a contribution. But any income earned in the plan grows tax-free.

When the child enrolls in a post-secondary institution, he or she can withdraw the income and Canada Education Savings Grant. Those are taxable in the student's hands but the tax burden is likely to be minimal for most students. On the other hand, the contributions can be withdrawn tax-free.



## Family Plans Make Sense for Most

You can set up either an individual plan or a family plan. The advantage of a family plan is that if one child does not continue with a post-secondary education, the income can be allocated among the other beneficiaries. The disadvantage of using a family plan is that younger children might be short-changed if most of the money is used when

the older children enter college or university. Also, you can only make contributions on behalf of beneficiaries who are under 21, a restriction that does not apply to individual plans.

If the beneficiary of an individual plan does not continue with a post-secondary education, you can replace him or her with another person. If the new beneficiary is not related and under age 21, the over-contribution rule could be triggered if the new beneficiary already has a RESP. If the new beneficiary is a brother or sister who is under 21 years of age, the over-contribution rule will not apply. Similarly, the over-contribution rule will not apply if both the old and new beneficiaries are under 21 and related by blood or adoption.



## Investment Strategies

A RESP can hold most of the same investments as a registered retirement savings plan. And like a RRSP, a RESP should have investments that reflect the beneficiary's specific needs and ability to accept risk. For instance, if your child is just a couple of years away from entering university, you may want to use a guaranteed investment. You might only earn four to five per cent, but that might be your best chance if a sharp decline in the stock market cuts the value of the plan's investments just before your child had to pay first-year tuition and residence fees.

If you set up a RESP for a child at birth, you should consider investing for growth. If you invest \$2,400 a year, including the Canada Education Savings Grant, for 16 years and obtain an average rate of return of 10 per cent, the plan will accumulate more than \$120,000. If the stock market fell one-third of its value the next day, the plan would still have more money than it had been invested for that 16 years at the five per cent and accumulated just under \$70,000. If the investments earned an average return of 12 per cent, the plan would have close to \$150,000.

## If Your Child Continues His or Her Education

Once your son or daughter enrolls in a qualifying educational program, the promoter of the RESP can make an educational assistance payment (EAP) to a beneficiary. EAPs include income earned in the RESP and Canada Education Savings Grants. EAPs are taxable and the promoter will issue the beneficiary with a T4A slip. The promoter cannot pay more than \$6,000 of EAPs before a beneficiary completes 13 consecutive weeks of a qualifying education program. The federal government does make exceptions and will allow a higher limit where tuition fees are substantially higher than average. After that first 13 weeks, there is no limit on payments, provided the beneficiary remains enrolled in a qualifying course. Your child will almost certainly benefit by keeping money that is not needed for first-year expenses for subsequent years. This will minimize the tax impact and allow further tax-deferred growth. The promoter will also return your contributions to you without tax consequences.

You can open a RESP with a major bank, most mutual fund companies and insurance companies as well as many credit unions. There are also some organizations that offer RESPs and nothing else. In addition, you can set up a RESP through an investment dealer, then choose your own mix of investments including stocks, bonds and mutual funds. You will be required to fill out an application and to provide your Social Insurance Number (SIN) and the SIN number of each beneficiary. You can obtain an application form for a SIN number for a child from most corporations and salespeople offering RESPs and Human Resources Development Canada.

The maximum annual contribution per beneficiary to a RESP is \$4,000 with a lifetime contribution limit of \$42,000. A beneficiary can have more than one RESP. However the maximum annual contribution to all plans must not exceed \$4,000. If this happens, the subscriptions are subject to a one-per-annum monthly penalty on the over-contribution as long as it remains in the plan. The over-contribution is included in the \$42,000 lifetime limit even when it is withdrawn. If more than one relative wants to contribute to a RESP for a specific child or children, they should coordinate their efforts to avoid making over-contributions.

## THE RULES



The trustee of the plan applies on your behalf for the Canada Education Savings Grant. If a subscriber does not contribute in a year, the grant can be carried forward. However, the maximum payable in any year is \$800 or 20 per cent of the \$4,000 maximum. Beneficiaries, who are 16 and 17 years old, will only be able to receive grants if plans were in place prior to age 16 and the contributions to all RESPs for that child were \$2,000 or more. Alternatively, they can receive grants if contributions of at least \$120 were made in any four years before the year in which the child turned 16.



copy remains enrolled in a qualifying course. Your child will almost certainly benefit by keeping money that is not needed for first-year expenses for subsequent years. This will minimize the tax impact and allow further tax-deferred growth. The promoter will also return your contributions to you without tax consequences.

You can contribute to an RESP for a maximum of 21 years. However, the plan must be collapsed and all money used within 26 years of the establishment of the plan.

The plans offered by banks, mutual funds and insurance companies are very similar to RESPs, in that you choose the investments and control the assets. But several organizations offer a type of plan that pools the contributions of many families, then distributes the income earned in the pool only to those children who continue their education. The parents of the other children get their contributions back and nothing else. Understand the potential benefits and disadvantages of any plan before committing your funds. Some plans do not allow transfers to other trustees and certain transfers can be complicated, especially if you change beneficiaries at the same time.

Banks and mutual fund companies generally do not charge fees to open a RESP, other than the fees normally applicable when you buy investments. Some organizations do charge set-up fees of up to \$200, so you should compare costs before buying.

There are no age limits for RESPs, so someone intending to return to school full-time, say to get a MBA, could benefit from a RESP.



# How much will it cost to send your child to university?

## THE ROYAL GLOBAL EDUCATION FUND.

With the cost of post-secondary education expected to reach \$94,000 within the next 20 years, the Royal Global Education Fund is one of the easiest ways to provide for your child's future – without compromising your own.

To help you get the most out of your education savings program, this global equity fund invests in large, widely recognized companies like Sony, General Electric and Walt Disney. And all annual RESP contributions made before December 31 are eligible

for the government's Canada Education Savings Grant up to a maximum of \$400 per child per year.

It's a simple equation:

YOU INVEST SOME MONEY.  
THE GOVERNMENT CHIPS IN.  
WE HELP MAKE IT GROW.

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If you have a child who will likely attend a university or college, you should have a RESP. Even if you do not have the funds to make large contributions now, set up the plan so that when or if you have funds, you will be able to maximize the Canada Education Savings Grant.

In some circumstances, you may wish to save for a child's education without using a RESP because you want more flexibility in case the child does not continue with a post-secondary education. You have two alternatives. An informal trust is an investment account opened "in trust for" your child. A formal trust involves documentation that is usually prepared by a lawyer.

Income from these is taxable, but potentially there are some tax advantages. Generally, interest income and dividends earned in the account are distributed to

## ALTERNATIVE STRATEGIES

whenever paid the capital in the account until the child reaches his or her age of majority. However, any capital gains and income from investing dividends and interest are taxable as the child's income at his or her marginal rate. All income earned on Child Tax Benefit payments paid directly into the account are taxable in the child's hands. Similarly, income earned on an inheritance belongs to the child.

You can open an informal trust for a child with a bank, mutual fund company or other financial services organization. You must properly structure the informal trust to get the tax benefits. The person

who manages the trust—the trustee—must be a different person than the contributor. For instance, a grandparent might supply the capital and the child's parent would manage the account. Also, since the account is set up in trust for the child, it is just that—an account in trust for the child. You cannot take the money back. Moreover, creating an informal trust as a revocable trust would remove any tax benefits and result in a tax liability for the contributor.

Formal trusts detail the assets of the trust and who are the donors, trustees, and beneficiaries. The document or trust deed can specify how long the trust will exist and how the assets are to be distributed. For instance, the document could specify whether the income was to be distributed. The circumstances under which, and the ages at which, the assets will be distributed.

## If Your Child Does Not Continue

If your child does not continue with a post-secondary education, you can get your contributions back and the trustee will make an accumulated income payment (AIP). It is a distribution from a RESP that would be made if no beneficiary of the plan was continuing beyond high school (any Canada Education Savings Grants would be repaid to the federal government).

There are, however, certain conditions regarding the receipt of the AIP that must be met. A Canada child beneficiary of the plan has reached 21 years of age, and the RESP has been in existence for at least 10 years. The 10-year existence period would be waived if all the beneficiaries of the plan have died and each beneficiary was a subscriber or was related to the subscriber. Exceptions must be made if a beneficiary would be unlikely to continue his or her schooling as a result of severe mental impairment.

AIPs are reported on a T4A slip and are subject to regular income tax as well as an additional 20-per-cent tax that will be calculated separately by the recipient on a form T1173.

In some circumstances, the amount of AIP subject to tax can be reduced. First, the recipient must be the original

subscriber or, if that person is deceased, his or her spouse.

Second, he or she must have RESP monies in which to contribute an amount equal to the AIP. Third, the total amount of AIPs contributed to an RESP for all years is limited to a lifetime total of \$68,000.

The RESP deduction must be taken for the year in which the payment was received. In other words, someone making a payment in January should not use the RESP deduction for the previous tax year. If they do, they will not reduce the amount to which the 20-per-cent additional tax is calculated and will be required to pay it.

If you are the contributor to a newborn's plan and you are in your 50s, you will be over 60 by the time the child reaches age 21 and unable to use the RESP rollover.



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**SATURDAY**  
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Here's the best one.

Unless you plan on giving with a couple of shiny pennies, a lost minute garage sale isn't going to cover the \$75,000\* prize tag hanging from your kid's education. So it's important that you have a plan in place that will. We suggest you take a look at "In-tuition", available from Bank of Montreal.

One of the biggest advantages of In-tuition besides the fact that it'll provide you with a diversified mutual fund portfolio is that it's a Registered Education Savings Plan (RESP). Which means your money grows tax-free until its withdrawal. And with the new Canada Education Savings Grant (CESG) program, the government matches your contribution to an RESP by 20% up to \$430 per child per year. So In-tuition will help you get junior out of your TV room and into an 8 x 12 dorm room for a lot less than \$75,000, which is a good thing.

For all the details get an In-tuition brochure and diskette by calling 1-800-665-7700 or dropping by [www.bmo.com/intuition](http://www.bmo.com/intuition) at any Bank of Montreal branch.

**Bank of Montreal**

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Unloading in Vancouver (left), Schwartz in Toronto: he has more connections than a major airport hub

Business

## Financier Gerry Schwartz unveils an audacious proposal for one national airline

By Kimberley Noble

**Gerry Schwartz adores cars.** Aa fifty-fifth 15-year-old in Winnipeg, Schwartz took apart and rebuilt a 1938 Plymouth—although, the story goes, he discarded the body and just drove the frame through the city's back lanes. The next year, 1958, he bought a silver-blue Austin-Healey. By the 1990s, a decade into his career in Canada's leveraged buy-out king, Schwartz had nine cars in his Rosedale garage. Then, on the other hand, he can take or leave. Before he left Winnipeg, Schwartz did get his pilot's licence. And he does own a jet, a Gulfstream II, and spends much time in the air, travelling between corporate investments in Toronto, New York City and Los Angeles. But unlike the chief executive of Air Canada and Canadian Airlines—the carriers that Schwartz proposes to buy and merge—he is not a plane nut. "I have not flown a plane for years and years. Flying," he says, "is not a passion."

Schwartz speaks plainly. The founder and chief executive of Toronto-based Olex Corp. told *Maclean's* that he's in it for the money. As Canadian Airlines International Ltd. announced it was running out of cash and the federal government called for a sale in Canada's solution, Schwartz weighed in last week with his stunning proposal to create a single merged carrier—to be called Air Canada and to be based in Montreal. In doing so, Schwartz has thrust himself

into the middle of one of the most contentious corporate squabbles in recent business history—one that involves not only duelling airlines but also those finest of regional rivals, Quebec and Alberta. He's doing this, he insists, because it makes economic sense for his shareholders. And, Schwartz says, "I am very excited by this transaction because of the opportunity to make a paradigm shift in an unbreakably ossified industry that has been flailing or floundering for probably 25 years."

Friends, foes and francophiles all agree: If anybody in Canada can pull it off—it's Gerry. After all, the man is not simply rich, he has more connections than an airport hub. He's a powerful Liberal fund-raiser and has served as a key member of the federal party's executive committee, a man who has convinced Prime Minister Jean Chrétien in his Toronto home and he shows himself to be a strong supporter of Finance Minister Paul Martin's leadership aspirations. He is also one of the most respected financiers on Bay Street, with an unparalleled talent for sweeping up undervalued companies, restructuring and expanding them. Just as important, Schwartz, at 57, is at that point in his life and career when he has not only the means but the energy and appetite to take on such a formidable challenge.

Not that everyone wants him to take it on. Schwartz's audacious \$18-billion bid has sparked complaints and a flurry of behind-the-scenes maneuvering. The Canadian

Airline Workers union lambasted Schwartz's suggestion that this deal—which evolved after Calgary-based Canadian Airlines approached Olex for funds last spring—would eliminate 5,000 airline jobs. Conservative groups expressed concern about reduced competition and the potential for higher plane fares.

Executives of Montreal-based Air Canada, meanwhile, scrambled to come up with a counter-attack, reminding observers, including the federal government, that it was Canadian, not Air Canada, that was on the ropes. Analysts expect that Air Canada's key partners in the Star Alliance—United Airlines of Chicago and Germany's Lufthansa—will be suggesting alternatives to the Olex solution. [Star Alliance is a marketing partnership that provides passengers with benefits, including the use of mileage points on any affiliated airline.]

Schwartz and Air Canada's chief executive Robert Mifflin have chatted cordially by phone, but publicly the carrier dismissed the Olex proposal as an unrealistic move that holds nothing for its shareholders. Olex proposes to buy all the shares of the parent company, Canadian Airlines Corp., for \$2 each, and all the shares of Air Canada for \$8.25 apiece, and merge the two companies into a \$5.7-billion airline. Air Canada has a point about its share—they rose on the news of the merger proposal to close the week at \$9.10. But Schwartz says that, of course, price is negotiable.

In the deal on the table, Olex says it plans to put in \$250 million of its own cash. Another \$350 million is slated to come from Canada's largest investor, American Airlines parent AMR Corp. of Fort Worth, Tex. Together, the two companies would borrow another \$250 million from Olex's Toronto bankers. In total, they would pump \$1 billion of new capital into the combined airline. Olex would take a 51-per-cent stake of the new entity, while AMR would get 14.9 per cent. Investors would hold the rest of the shares.

**All last week,** Schwartz took flak about the proposed merger. Opposition MPs accused him of using his connections with Chrétien, Martin and Transport Minister David Collier to help clinch the deal. Schwartz and Olex had no direct contact with the government, and defended his right to take part in the political process.

Most troubling to the francophiles is the suggestion that he's merely a slick front man for American Airlines, whose parent company like all foreign firms, is limited under federal rules to a 25-per-cent voting stake in a Canadian airline. "The Olex bid is being cooked by Americans," charges The Olex, a professor of air transportation at the University of British Columbia in Vancouver. He sees the creation of a monopoly, that American Airlines would control, as the objective. "Absolutely not," Schwartz snaps. "We [Olex] are the dominant shareholder. We will elect a majority of the board of directors and we will drive this proposition for-

work. It's in our complete control and in no way is this even remotely characteristic of an American takeover of a Canadian business."

What American wants from the deal is a way to convert Air Canada's \$1.5 billion a year in case-border sales to American's Sabre reservation system and a means of selling its investment in the Canadian airline industry over time. Most important in the short-term, the deal would not violate a key provision in American's contract with its pilots, who must approve investments in other airlines above 15 per cent as a means of ensuring that its staff does not lose work.

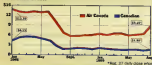
As Schwartz argues the merits of his case, Ray Stene is keeping a close eye on how many Air Canada shares change hands. It is not the price as much as the volume that matters, says investment banker Tony Hase, head of the transportation finance department of the National Bank of Canada's brokerage. When a deal like this hits the street, "investors sell and arbitrageurs buy" with a view to making the highest possible short-term profit. At mid-week, Hase predicted that once 30 million of the company's 190 million shares trade, arbitrageurs would own enough stock to make a deal fly. "At that point, anybody who comes in 30 per cent above market will be able to buy it all," he said. Joan Schwartz Aug. 24 announcement to the close last Friday, \$1.3 million Air Canada shares had traded on the Toronto and Montreal stock exchanges.

## Sizing up the competitors

	Air Canada	Canadian Airlines
<b>Employees</b>	25,000	17,000
<b>Head office</b>	Toronto	Calgary
<b>Flight time</b>	148,000 hours	103,000 hours
<b>1996 operating revenues</b>	\$5.92 billion	\$3.17 billion
<b>1996 net loss</b>	\$16 million	\$132.8 million
<b>1996 assets</b>	\$4.4 billion	\$2.2 billion

## Turbulent Rides

Average monthly closing prices for shares in the two national airlines



Air Canada's operations control centre at Toronto's Pearson International Airport: global airline partners are watching

Last week's bold proposal starts with a beleaguered president and CEO—Canadian Kevin Benson. Ours had looked to investing in this airline several years ago. It rejected the possibility as uneconomical, but the two companies stayed in touch. Last March, Benson approached Ours vice-president Anthony Melman about a cash infusion. This too quickly became a discussion about merging Canadian and Air Canada, with Ours spearheading such a deal. Melman spoke to Schwartz, who then called his old friend Don Carry, the chief executive of American Airlines, the company that bailed out Canadian in 1994. Schwartz has known Carry since the mid-80s, when Carry ran Canadian's predecessor, Canadian Pacific Air Lines, and an Ours subsidiary wanted to buy CP Air's carrying operations. "I called Don Carry and said maybe we should pull out our old file and dust it off," Schwartz says. Carry, who is originally from Montreal, thought it sounded like a good idea. "So some people here began to work with people in America," says Schwartz, and it just evolved into where we are today."

With Schwartz and the Ours partners we consulting on is that a consensus is building in favour of a dramatic change in Canadian's airline industry. They cite the federal government's Aug. 13 decision to suspend competition rules for 90 days to allow Air Canada and Canadian to talk freely about a merger. "It allows a private sector solution," Schwartz says.

Even since airline deregulation in 1988, airline analysts have argued that Canada cannot support two national carriers. Canadian has lost \$552 million over the past five years and needs \$500 million in new capital just to keep operating day after day. Air Canada is in better shape, but it still finished last year \$16 million in the red.

Previous attempts to merge the two organizations have failed. In 1992, when Air Canada wanted to take over cash-strapped Canadian, the Calgary airline's board lobbied heavily to prevent that from happening. That's how Ameri-

## He unveiled the plan in Air Canada's home base of Montreal, then rang an old pal—the airline's chairman

can Airlines ended up with its take. The U.S. airline was invited to keep Canadian out of its trade's clutches. But this time, many westerners would, resigned to a merger. "It's going to mean the loss of Western Canada's airline," Alberta Premier Ralph Klein acknowledged. "Everyone has come to the conclusion that the two airlines were not sustainable, and it's a lot better than Air Canada completely taking over Canadian."

Whether the Schwartz proposal gets off the ground will depend on several factors: the willingness of the federal Liberals to change the rule limiting any one shareholder to 10 per cent of Air Canada, as well as to tolerate the creation of a new airline monopoly how

much money the institutional shareholders who own the bulk of Air Canada are willing to accept in exchange for their stock, and how determined other American or United Airlines—the driving force in the OneWorld (of which Canadian is a member) and Star marketing alliances—are to see their own lucrative reservation and route systems dominate the North American continent.

For his part, Transport Minister Collette has taken a stand opposite the one Martin adopted during last year's bank merger debate. Collette wants the private companies to work out all the details first, and then submit a proposed solution to Ottawa for approval.

Schwartz says that neither he nor anyone in Ours has had direct contact with Collette or Chrétien. But they are getting some firsthand information from Benson, who will tell the transport minister about his talks with Ours as early as the last week of June. Schwartz says Benson left Ours with the sense that the government is willing to see the two airlines merge—provided steps are taken to protect competition.

That means the main opposition to Ours' bid will come from Air Canada or its affiliate partners. Schwartz, ever the schemer, has made what over-comes him to Air Canada's management and shareholders. He called Air Canada chairman Jack Fraser (another longtime Winnipeg friend) soon after Ours unveiled its bid. And Schwartz has made statements that—should the companies find a way to come together—Air Canada's Milton could be in the running for the top job of a merged airline.

"I really hope that when they [Air Canada officials] have had a chance to look at our offer and understand the nature of it, they will say, 'this is the time, this is the opportunity, let's put these airlines together,'" Schwartz enthuses. The next few weeks will show whether the dealmaker from Winnipeg can make that big bid fly.

With Brenda Brueckert in Montreal, John Golden in Ottawa and Patricia Tebbel in Toronto

## The hired guns

Not since last year's bank merger mania has there been such a rush to sign up Ottawa's private lobby and political consultants. Two days before Gerald Schwartz announced his bid to takeover Air Canada, he began negotiating for the services of some of the Liberal hired guns. The big names drafted by Schwartz's team: Mike Robinson, a Paul Martin loyalist with the influential Canadian Alliance Strategy consulting firm, and Herb Menzies, who once chaired the search for Liberal fund-raiser Senator Leo Koller and now wields influence in senior parties at The Capital Hill Group lobbying shop.

They join a squad that already boasted deep Liberal bench strength. American Airlines, which is largely backing Ours, relies heavily on Global Public Affairs lobbyist Randy Penney, a former aide to Prime Minister Jean Chrétien, and in B.C. cabinet heavyweight David Anderson when he held the transport portfolio, and on David Duggan, the former Nova Scotia Liberal cabinet minister.

Scrambling to catch up, Montreal-based Air Canada secured the services of GPC Government Policy Consul-

tant, with chief executive James Cusack overseeing its file. Although Cusack's partisan asperses are Conservative, his reputation is for championing shareholder issues over political interests. Air Canada also has an in-house government relations director with solid Liberal credentials: Duane Den, a former aide to Heritage Minister Sheila Copps. When it comes to their boards, both parties can call on Liberal insiders: Canadian Airlines director Ross Friesen, a son-in-law of Brian Mulroney, is an old friend of the Prime Minister, while Ed Lanning, another Chrétien ally and a former Liberal cabinet minister, is an Air Canada director.

All but forgotten in the rhetoric of the Liberal campaign of 1993, Chrétien's policy book declared that the "close relationship between lobbyists and the Conservative regime has contributed not only to public cynicism about politics but also to the sense of the Americanization of Canadian governance." After taking power, Chrétien cancelled the reconstitution of Toronto's airport over claims that high-powered lobbying had tainted the deal. But in the current airline debate, the lobbyists are again flying in clear skies.

John Golden in Ottawa

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## Business

# Divided allegiances

One rival's staff sees hope, the other's gets the jitters

As an Air Canada look-alike franchisee in Toronto, Randy Moore is trying very hard not to think about what could happen to his job if Once Corp. buys his employer and then eliminates 5,000 jobs. "I am afraid that I could be among the ones to go," the 41-year-old customer sales and service agent says bleakly. "The last

time this time was talk of a merger, there were rumors that you had to have at least 17 years under your belt to hold on to your job. I have almost 14 years." Half a century away in Calgary, Heather Stethand is relieved that a solution to her company's woes might be finally in sight. "We have been struggling, going up a percentage of our sales to keep the company going," states the customer



Air Canada agrees to pay 5,000 job losses

service agent. "This could be the pot at the end of the rainbow."

Such markedly different visions of the future now divide the 39,000 employees of Canadian and Air Canada who deeply troubled, almost hostile, camps. Many Canadian employees like Stethand cherish the guarded hope that a merger may be the only way to save most of that airline's 55,000 jobs. In contrast, many Air Canada staff, who have worked hard to boost their employer's fortunes, view the prospect of a merger as frightening and wrong. Because that airline is in better financial shape than Canadian, there are more new employees. And they would likely be the first to lose their jobs—because layoffs are usually done on the basis of seniority. "The youngest workers are in our group," says Tom Freeman, president of the Canadian Airline Workers local that represents 5,000 Air Canada sales and ser-

vice agents. "But Canadian employees imagine this could be their last lifeline. It has been a hard few days for us, walking the fine line."

The search for less painful solutions is intense. COW president Burt Haggrove has called on Ottawa to take an equity position in Canadian or any successor airline to influence decisions. Laurie Ferguson Marsh, western regional chairman of the International Association of Machinists and Aerospace Workers, which represents 15,000 maintenance and ground workers, says unions should concentrate on how to improve the health of the industry—not of the individual carrier. Fuel costs and airport fees could be lowered. "We will be seeking solutions rather than job losses," she says. "We can't pit one group against another."

Mary Juriga and Susan McClelland



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# Downsizing the news

By Andrew Clark

Henry Kowalski seemed troubled. The senior vice-president of CTV News had spent the summer months suffering through Toronto heat waves and, according to one insider, was "locked in his office pacing around with his head down." His was not an enviable position. After being taken over by Baton Broadcasting Inc. in 1997, and quickly buying a majority interest in its rival NetScout, CTV was still in the midst of a major reorganization—slashing overhead, eliminating jobs and taking the network's focus from information to entertainment. Thanks to government subsidies and funding, Kowalski observes, it is cheaper to produce drama than news. That recent layoffs in the newsroom, and Kowalski, a veteran re-



Photo: CTV

## As CTV cuts back, employees lose their jobs and entertainment gets boosted over information

ports who moved into his current post in 1997, was responsible for herding the pink pigs. "You do the best that you can at the best possible cost," he says. "But as sophisticated as we are in the 1990s, there are only two ways to keep live. Either generate revenue or you cut costs."

That insight has not been lost on CTV's management, including president and chief executive Ron Fournier. Drama, comedy and variety on CTV are stronger than live. The network is producing, or buying a host of Canadian series and movies, such as the *Skeleto* *Kennedy* *Story*, and offering more big-name American shows, such as *Ally McBeal* and *Love and Order*. It has a lucrative deal with an American distributor for *The City*, CTV's one-hour drama series in Toronto. *Power Play*, its series about a Hamilton minor-hockey team, won news from critics both in Canada and the United States

and had a short run on the U.S. entertainment cable network UPN.

Overseeing the operations is a new high-profile executive vice-president, Tina McQueen, who joined the network in early August after captaining the Discovery Channel. McQueen, a former senior CBC executive, will be responsible for all programming and cable stations and cities over a successful stable of CTV specialty channels. The Comedy Network and the Outdoor Life Network—which are among the most popular on TV. The Comedy Network even managed to achieve the unthinkable—launching a late-night talk show. *Open Mike with Mike Bullard*, which first aired in 1997, has gone from no cable niche onto a spot on the main network.

Beyond the screen, however, CTV is not a happy ship. Reports grumble privately that CTV is getting out of the news business. And there is concern

McQueen at her new job: media buyers say advertisers are turning from the TV networks to the Internet, newspapers and local radio.

about advertising revenues. Media buyers say acquiring media downtown in advertising has left the network with fewer sponsors as advertisers are turning to the Internet, newspapers and local radio.

The network's financial dealings are also under scrutiny. In March, 1998, CTV purchased a 68-per-cent share of NetScout Communications Inc., owner of sports channel TSN, for \$409 million. That was out over a deal bid by CTV's Global whose founder, Roy Katz, still owns NetScout. The reason for the acquisition, the deal is still under review by both the competition bureau and the Canadian Radio-television and Telecommunications Commission because CTV already owns Sportsnet, another specialty channel. Meanwhile, the debt CTV incurred to acquire NetScout has helped to depress its stock. CTV shares hit a high of \$26.20 in the summer of 1998. Last week, they closed at \$22.50.

Spurred on by these results, CTV has



Some from *Power Play*. Focus (below): CTV's financial position is under scrutiny.

been working to shore up its finances. Like many corporations, CTV found that by laying off employees. In May, 1998, 334 out of about 2,300 positions were cut, followed by another 131 in April of this year. Last week, 11 journalists—six on-air personalities among them—were laid off, including reporter Ken Enns in Toronto, Al Swearey in Vancouver, Elise Shiff in Jerusalem and three members of the network's Ottawa bureau—Dave Rime, Diana Bishop and Elizabeth Chu. McQueen says the layoffs must be put in perspective. "It's very difficult for the individuals involved, but it is a small loss judged against CTV's 700 news staff."

In a conference call to the surviving Ottawa staff, Kowalski said that if CTV shareholders did not get a return on their investments, it might mean the removal of the network's executives and board of directors. Unlike the days when the Eaton family effectively controlled CTV, today's shareholders could not be expected to take a long-term view. "The bottom is definitely off the net," observes Peter Swann, chairman and chief executive officer for Toronto's influential ad buyer, The Media Company. "They have not turned out to be the stars they claimed to be two years ago." That's when Baton, led by Fournier, took over CTV.

CTV began in 1961 as a close affiliation of eight stations and grew to a collection of 25 owned, and operated units. In seven principal shareholders view for control in other prominent negotiations that, in one point, involved legendary Harvard dispute resolution expert Roger Fisher. In 1997, Baton swapped assets with the CHUM Group, acquired the four broad-

casting stations of Electrohouse Ltd., launched Vancouver TV station CIVT, and The Comedy Network and Outdoor Life Network specialty channels. With these aggressive inroads in place, the stage was set for the next move.

In November, 1997, Baton bought out its competitors and gained 100-per-cent ownership of CTV. The takeover was good news for Baton's executives. Fournier's salary in 1998 was \$919,000 and he received stock options valued at just under \$8 million. It was bad news for some of the network's employees. "It was incredible that when Baton took over CTV that there was going to be a list of layoffs," says Bill Maxson, the network's vice-president of dramatic programming.

The most glaring example of the way the severe cuts are changing programming is the fate of *W-Five*, North America's longest-running TV newsmagazine. As recently as July, the picture seemed rosy. According to an insider, the show received a 30-per-cent budget increase and added extra journalists to the staff. But *W-Five* then laid off nine people, and CTV announced that the show would be changed from a newsmagazine into a forum for half-hour in-house and commissioned documentaries.

CTV executives maintain that the flip-flop was instigated by the CRTC, which, in July, decreed that certain types of programming—drama, documentaries over a half-hour in length, variety and entertainment magazines—would be "perjury" programming. Networks must now air eight hours of priority programming a week in prime time, and CTV says the old *W-Five*, with its series of several investigative and feature items, did not qualify. Kowalski says the CRTC move made the switch from *W-Five*'s previous incarnation inevitable. But the CRTC maintains

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that CTV is using the regulator as a scapegoat. "Somebody has made a business decision and they are pegging it on us," says CRTC spokesman Derek Carroll. While Kowalski claims *W-Five* is evolving, critics say it has been consolidated.

Competition and disgruntled former employees say one-cable is too thin for the network's ability to cover the news. Along with the layoffs, there has been a steady stream of willing defections. Four journalists, including Jim O'Connell, on 11-year CTV newsman, left *5P* to join the fledgling business channel *ROBT* Business Special. On Debbie McManis left *Canada AM*, the network's weekday-morning program, to produce and host a weekday show on Global Prime Television Network, and more than a dozen *5P* producers have also moved on.

For Kowalski and his supporters, it is a necessary step towards a new style of TV journalism, one in which mobility and speed are usurping the old forms created by a reporter, camera operator and producer. Kowalski says that any changes that do not affect on-camera coverage are possible, including the use of videographers who both report and take pictures.

CNN's slow rise in respect for the home-line television networks are coming back all over, both in Canada and the United States. CBC has experienced a series of devastating layoffs, reductions and another major one is looming in the next few months. In the same fashion, the CTV network—and its 2,000 remaining employees—may not be out of the woods yet. After last week's cut, Kowalski told his staff he could not guarantee there wouldn't be more layoffs. Still, he says, if CNN does the same two steps forward and only one half step back, Kowalski can take comfort in the fact that he won't be the first CTV news boss to face such hardships. In 1987, the network closed four bureaus, including Borneo, Winnipeg, Quebec City and Jerusalem. Twenty staff were laid off, among them *The New York Herald*. At CTV, the most drastic changes, the more they seem to rise the more.

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Deirdre McMurdy

## A rainmaker moves on

Tom Kiernan has led a double life. In Bay Street circles, he is well-known and respected as a shrewd investment banker and a veteran corporate director. But outside city, Kiernan embraced a passion that few of his fellow financiers might have suspected: public policy. "For me, investment banking was a profession," he explains. "Public policy is an avocation."

Despite that love, Kiernan is stepping down as chairman of the C. D. Howe Institute on Sept. 6. The Toronto-based think-tank, under his leadership for the past 10 years, has emerged as one of the most influential commentators on public-policy issues. The institute's academics and analysts guide headlines in the early 1990s with their dire warnings about government deficits. The same group has weighed in with agenda-setting studies of welfare and health-care reform, taxation and, most recently, the heated debate about a single currency with the United States. Nevertheless, says Kiernan, "it's time to move on—I never expected to stay this long in the first place."

Now 58, he arrived at the institute in September, 1989, looking for a home from Bay Street. He had just overseen the sale of McCord Young Wain to the Bank of Nova Scotia, and although he had made millions on the transaction, he had also promised not to undertake any competing work for three years. And after 26 years in the world of corporate finances, Kiernan was ready for a change. "A rough, new game was being played on Bay Street," he says. "Relationships didn't matter any more. The whole business was losing credibility." At that time, the institute was also in transition. The C. D. Howe Foundation had withdrawn its funding because the institute had become embroiled in the political wrangling during the 1988 free-trade election. The output of papers was low and, for the average Canadian, difficult to penetrate. "Basically, the place was a shambles," says Kiernan. He couldn't wait the challenge.

Tom Kiernan knows bringing order to chaos. In the 1980s, he played a key role in unseating the Liberal government's complex National Energy Program. Kiernan wrote a report that created a new template for a free-market, domestic-energy program. On the corporate side, Kiernan has also established a taste for trouble. He is currently the chairman of Moore Corp. Ltd., the Toronto-based business-forms company that is in the throes of an extended restructuring. He is also chairman of the former Cawson corporation Peco Canada of Calgary and a director of BCE Inc. and seven other companies.

Thorn of financier and former Liberal cabinet minister Eric Kiernan, Tom was named in Montreal. He graduated from

McGill University in economics and from the University of Chicago with a master's in business administration, and headed straight for the securities business. For someone who has studiously refused to play golf, he has an encyclopedic range of business and political contacts.

That background, in addition to his decades of Bay Street experience, gave Kiernan a unique ability to tackle the C. D. Howe Institute's financial squeeze—his firm sides of business. He knocked on the doors of CEOs across the country asking for money just as the recession set in. "The Howe is a tough sell at the best of times," he says, "because it is a privately funded public good." Still, by working his extensive network, Kiernan pushed the annual budget to \$1.6 million from \$800,000. Part of the "sell" was to hold biannual gatherings of CEOs—where they could meet and get up to speed on current policy issues. "It wasn't about griping over matters at the Toronto Club," he says. "These were events where they got real, concentrated information and a forum where they could discuss it."

To generate even broader interest in the institute, however, Kiernan had to accomplish three related things: increase the frequency and relevance of publications and raise the think-tank's public profile. He created a network of policy thinkers and writers who did more than write learned papers. Members of the network could even cover coverage of certain specific policy areas or become involved in the peer review of papers. Above all, he ensured that politics stayed out of the mix. "We were always written off as right-wingers in the past," he says. "Perhaps the best thing we've accomplished here is that we are proudly centrist now."

That new centrist stance was on full display when the institute tackled the issue that put it on the diagnostic public-policy map: Canada's deficit crisis. It was an early white-blower on the subject of government debt and deficit, and as plentiful warnings grew into widespread public attention, Kiernan admits the crisis was a blessing for the institute. "It's crucial to identify a mind early and shape the debate quickly."

Although he is leaving the institute, to be replaced by Jack Milne, a top policy expert from the University of Toronto, Kiernan intends to continue his romance with public policy. He is launching a chair in business ethics at the University of Toronto's Rotman School of Management. He will also serve as the chairman of the Toronto Centre, an international training program for financial regulators. And he will be associated with the Canadian Institute for Advanced Research. "I don't want to do anything, I just want to make things happen," he explains. As if there was any doubt.



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## Auto parts galore

Canadian Tire Corp. Ltd. is launching a chain of about 200 automotive parts stores called Performance. The hardware and auto-parts retailer said it will invest \$400 million in the stores, which are designed to appeal to professional mechanics and knowledgeable do-it-yourselfers. Canadian Tire will hire up to 4,000 employees for the chain.

## Canfor bulks up

Vancouver-based Canfor Corp. struck a \$635-million deal to buy Northwood Inc. of Prince George, B.C., making Canfor Canada's largest producer of softwood lumber and so-called kraft market pulp. Canfor estimates the deal will lead to \$100 million in savings and the loss of up to 150 office jobs.

## Money in the banks

The Bank of Montreal reported a better-than-expected third-quarter profit of \$398 million, up 5.3 per cent from \$378 million last year. The increase was due in part to the bank collecting on more overdue loans. The National Bank of Canada, meanwhile, reported a three-month profit of \$104 million, up seven per cent from a year earlier—and its best third-quarter ever.

## Aircraft jobs chopped

Pratt & Whitney Canada Inc. says it will cut 300 production jobs as its Longueuil, Que., plant near Montreal by October. Another 400 jobs in plants around the world will go by the end of next year. The Quebec cutbacks come two months after Ottawa announced a \$154-million subsidy for the aircraft-engine manufacturer. The layoffs are the latest in a series at Pratt & Whitney, which cut 900 jobs, or 10 per cent of its staff, last year.

## Ottawa beats the bug

The federal government says it has fixed and tested its critical computer systems so they will not be susceptible to the so-called Y2K millennium bug. According to Treasury Board officials, computers used to process pension and employment insurance cheques and to issue passports are ready for Jan. 1, 2000. Still, Ottawa has made manual contingency plans in case of a failure.

## Business Notes

## Emptying the shelves at Eaton's

The liquidators have swooped in and the bargain hunters are swarming. Last week, Eaton's officially went into bankruptcy protection and began its going-out-of-business sale. Across the country, Eaton's staff tried to cope with the double whammy of drops of shoppers—the like of which they hadn't seen in years—and the pink slips they had just received. Under the direction of three U.S. liquidation firms, led by Boston-based Gordon Bros. Group, Eaton's must sell its merchandise to all 15,000 full-time and part-time employees. Six hundred jobs were cut immediately, while the rest of the staff has until Nov. 30.

Massive job cuts were the first to disappear. After an Ontario Superior Court judge appointed Baber and Partners Inc. of Montreal as Eaton's interim receiver, Brent Ballantyne was named as CEO, saying: "I did not think I could add any further value" to the company. Most other executives, buyers, managers and support staff were let go. In the first days of Eaton's last-ever sale, many bargain hunters expressed disappointment that markdowns were often as little as 20 per cent. Analysts

say the liquidators are simply trying to make as much money as possible during the initial flurry of consumer interest. Prices are expected to drop in the next few weeks, and the liquidators intend to buy more goods to keep the stock selection from thinning too much. This does not sit well with



Signs of the times: attracting bargain hunters

many mall landlords. Lawyers for Cadillac Fairview Corp., Cambridge Shopping Centres Ltd. and Oxford Development Group Inc. were in court as well, and arguing that their leases forbade Eaton's from holding a fire sale that draws customers from other stores. They say other malls are especially concerned about the toll on retail Christmas sales.

## Financial outlook

The U.S. Federal Reserve raised its longstanding interest rate by .25 per cent to 5.25 per cent in an effort to cool the U.S. economy. Marc Lévesque,



senior economist at the Toronto Dominion Bank, said the question for Canadian investors is whether the Bank of Canada will follow suit. He expects the central bank will hold rates steady, "barring a sharp and sustained decline in the Canadian dollar." The dollar rose on the day of the U.S. hike, but later sagged, then settled to end the week at 67.17 cents (U.S.). The Federal Reserve, meanwhile, hinted that another hike is unlikely soon. That led to a rally in bond markets, where bonds rose modestly. As a result, Canadian bonds lowered overnight by as much as a quarter point.



## A global film fest in Montreal

Montrealers will be stargazing this week, but more likely at animated actors than up at the sky. The 23rd Montreal Film Festival runs from Aug. 27 to Sept. 6, bringing nearly 400 films, dozens of international movie stars, including French actors Gérard Depardieu and Carole Bouquet, and more than 300,000 moviegoers to the city. While the Cannes and the Toronto Film Festivals (which *The New York Times* has declared the "North American Cannes") are heavy on Hollywood stars and power brokers, the Montreal event casts



*Rosetta* (top): Washington, Mich. Depardieu (electrician below): nearly 400 movies and dozens of international stars



*Dayflux* featured with a rebuke in his acting career



*See Gallows*, which was filmed in Montreal and stars Denzel Washington, who is attending the screening.

The opening gala last week featured *Monty Python's Canadian director Patricia Basan's* film adaptation of Jean Asselin's 1814 book, *Rosetta*, 41, says she is thrilled her film, produced by New York City-based Miramax, was selected for the festival. "My films have always done well in Quebec." The movie, starring Alessandro Nivola, Jerry Lee Miller, Francis O'Connor, Elisabeth David and Harold Pinter, is the first time Asselin's novel has been filmed for the big screen. "It is much bigger than any other films," says Rosetta, who is known for her smaller-budget quirky movies such as *Five Hand the Marmoset* (1987) and *When Night Is Falling* (1995). "But I think all the rules anyway. Compared to other film adaptations of Asselin novels, it is a slighter I was completely fine in my adaptation, so I could wear what I thought would be thrilling to direct."

After Montreal, Rosetta will return to her home in Toronto and prepare for the Toronto Film Festival, which starts on Sept. 5, and which also features *Monty Python's* "It will be the opening night gala," says Rosetta. "But what a fabulous situation that Canada has two great film festivals."

self as a defender of the non-Hollywood film. It is proud of its cinematic diversity—it features short films, made-for-television movies and films that have been selected from 68 countries—and tries to make them widely accessible by such means as outdoor screenings.

For this year, the festival is also creating the large movie companies, with Warner Bros., Universal and Walt Disney playing a part in the festivities. And blockbuster actor Richard Dreyfuss is scheduled to appear this week at a tribute honoring his career. The late Walt Disney will also receive a tribute, with his daughter, Diane, and former Disney star Hayley Mills in attendance. The festival also boasts more than 50 world premieres, including the police thriller *The*

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## Health Monitor



*Annaliese Gosselink enjoys a session in the \$40,000 whirlpool, a risky treatment*

## Super-tub therapy

Along with massage therapy, hydrotherapy is a growing health trend in Canada, with about 25 to 30 spas and treatment centres offering customers a chance to relax in high-tech tubs while high-pressure water jets smooth away aches and pains. Now, Toronto's Promised Care Centre claims to have the most sophisticated hydrotherapy tub in the land—a \$40,000 computer-controlled device that can create time or acting bodies with 210 air and water jets.

Customers, who pay \$75 for an hour in the tub, can have herbs, oils, oils or music added to the water. The result, says Promised Care co-owner Loretta Scantala, "draws toxins from the body and leaves your skin silky." What does a session in the *Amethyst*-built tub feel like? "It's like a whirlpool, only multiplied by 100," reports Irene Kanelis, a Promised Care client who has chronic back pain from years of competitive swimming. "The water can go deeper, and in my case, it's a more effective treatment than massage."

## Controversial drug approved

A **controversial medicine** that triggered a bitter dispute over drug company payments at Toronto's Hospital for Sick Children has been approved in Europe. Designed to treat victims of the blood disorder thalassemia, Ferrugen was at the center of a two-year feud involving respected researcher Dr. Nancy Olivieri and Toronto-based Apotex Inc. The company lashed the clinical trial Olivieri was supervising and threatened legal action if she made her concerns about the drug public. Undeterred, Olivieri published her findings that Ferrugen might be ineffective and unsafe in August, 1998. In January, the Hospital for Sick Children dropped her from a supervisory position, but she was soon reinstated following high-profile suggestions. With Ferrugen awaiting Health Canada approval, Olivieri stands behind her contention that the drug unnecessarily exposes young thalassemia patients to heart and liver disease. Says Olivieri, "Let's not endanger sick patients when we don't know if this drug is better than nothing at all."

## Cancer fighters

Ontario has agreed to pay for a genetic test for women with a strong family history of breast cancer to see if they carry the mutated gene that leads to the disease. The decision follows an appeal of an earlier health-plan ruling denying the expensive test payments for a London, Ont., woman, Fiona Webster, who had watched her two sisters die of breast cancer. Still, she refused to undergo radical surgery herself as a precaution without knowing whether she carried the mutated gene. A test cost \$3,600 as a private lab in Salt Lake City showed the *BRCA1* gene. Ontario is also the first province to agree to pay for the new breast cancer drug Herceptin, which has demonstrated an unusual ability to add precious months to patients' lives. Recently approved by Health Canada, the drug designed for use in the 25 to 30 per cent of breast cancer patients whose tumours grow aggressively because their bodies produce too much of a special protein.

## Doctors' advice

Medical advice columns that doctors write for Canadian newspapers sometimes give advice that can be "dangerous and potentially life-threatening," according to a study by fellow physicians. After analyzing 50 articles published in Canada in 1995, the study team concluded that 84 per cent of them were potentially unclear or misleading and 58 per cent were "unsafe or potentially dangerous." The study, published in the *Canadian Medical Association Journal*, noted that the articles dealt with older people's health concerns, but said it would be surprising if similar problems "do not exist with other medical advice columns." Dr. Ken Walker, a Toronto physician who writes for 50 newspapers and under the name W. Gifford-Jones, called the findings "preposterous. In my opinion, it's not responsible journalists who are at fault but irresponsible families who ignore medical advice."

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# Georges Lukk's Brave Journey

He was one of the lucky ones who made it out of the DP camps to Canada. Then another struggle began—helping to build a nation

*Two hot summer topics in Canada are the borderland arrivals of would-be immigrants from China and the debate about the "brown-dream." Both issues are as old as the century. From the start of the 1900s, Canadians argued over who should be allowed to move into the country and whether newcomers offset the unbalanced outflow of brains.*

*The controversy of such newcomers is recorded in Canada's Century, selected and introduced by Maclean's General Editor Carl Bodley for September publications by Key Porter.*

*The book's record on migration equates a two-sided coin. The century was only two years old when a failed panel judged immigration from eastern Asia as "obnoxious." Soon after, Occasion exposed barriers in turn against Asians, blacks, Jews, Eastern and Southern Europeans. But the humanitarian impulses of a caring commonsense ultimately overruled the biases. Canada prospered from a net gain in migration, fostered peace and the swelling growth of a multicultural population. The accompanying excerpt by Eric La-Vieille from the magazine of June 1, 1968, reflects both the bias and the humanity in Canadian attitudes.*

Georges Lukk got up at 5 that morning but already the other 23 men in the single-roomed cabin of the S.S. Marine Fikens were stirring. "Pop," he said, "can't say anything." They took pains at washing and shaving and dressing. Not many had coats and garb that matched. Those who had two shirts had used the clean, last flayed one for this morning. Georges went up to the deck slowly, although he wanted to run. He told himself this was a great moment, but his mind was curiously blank. And then the night's light-house blink off the fog. The last he had seen of Europe had been a lighthouse.

The deck was now filling with people. Around him were his friends—young Estonians like himself, whose destinations were Campbell Red Lake, Minn. La., Ont. The dolomite sound of the foghorns emphasized the unreal silence. Four hundred and thirty-one displaced persons turned around over this spring morning of 1948, towards the well-lit shore of Canada. Ten thousand DPs had come before them. Another 10,000 would follow to fill the quota Canada had decided to let in by three separate orders-in-council. Another million men and women and children, in the blink of an eye of Europe, would wait for the need they might never receive. Shortly after 8 o'clock, the fog began to unfurl. They had

stood on the decks for three hours. Now busy naps, usually important, came to now the first. Above the fog, a tall emerald, a thin fortification crowning it. Then a long, gray wall with grey high shells running down the length of it. Halifax, Canada. The people lived the dreamland dream. "It's pay there is no way to say welcome," someone on the deck said. "Even a hand."

"They don't need a hand," someone else said. "The fact they're allowed to come here is good enough. They should be grateful."

A. G. Christie, inspector-in-charge of immigration in Halifax, a quick-moving, slight man, took a couple of swift steps forward. He lifted his hand and the smile that breaks up his whole thin face came out. "Welcome," he shouted and waved. The lines of light-colored linen, the sudden wave of motion as though the still people had been brought to life, was like light bursting out of a dark cloud bank. With almost hating urgency, the people on the ship swarmed him in a universal welcom.

Finally, they started moving off the ship, carrying their hand luggage and their smallest children. Down the ramp they went and up the stairs, so wet on the long yellow benches for a doctor's examination. To many it was the fifth



or sixth medical since they got tentative permission to come to Canada in a DP camp in Germany.

ACNR men pulled up beside the shed. Thirteen DP Special, as the one that had taken the upright, woodies-shed Drach off the Kootenai, earlier in the week, had been a Serbian Special. (Serbs pay their own fares.) From here on, the bell for transportation and food is forced by firms who have undertaken to employ the new arrivals. This, ultimately, will come out of their wages, scheduled in 10 months.

Displaced Persons are only people naked of the past, with no goods to bring, with memories they want to forget, seeking a chance to start again. Some bring hard-earned of the Russians and communists and the Germans—but even those are diluted in the deep well of tragic experiences they have known. You can suffer so much. Hate so much. Fear until the very first is dead. Then, dully, you start again to begin to put your dead reflections again. That is the impression a Displaced Person gives you.

As the men leave Halifax, I look for Georges Lukk again.

*Canada-based migrants early in the century engage in shipboard life: bias versus humanity*

He is 29, a six-foot-two, slender man, with blue eyes behind horn-tinted glasses, and a sensitive face, until it lightens with a frank young smile. The tag on his lapel says No. 136. He waves a hand at the magnificent, lonely landscape. "Like Estonia," he says with an unexpected smile. "Like home."

Here are the steps that went into the making of Georges Lukk, 29, Displaced Person, and brought him on a spring Sunday in 1948 on a westbound train from Halifax. A happy boyhood in the ancient walled city of Tallinn, Lar, as a scholarship student, he went to the Vienna Technical University, where he won his science doctorate in 1941. He returned to Estonia, but by then the ordinary way of life was broken. Russian armies had entered in 1940. Germans invaded in 1941. Russians would take over again in 1944. He had married during his last year in Vienna and managed to get back there to his young family.

The Austrian town in which he was living was liberated by the Americans on May 4, 1945. All foreigners were arrested to report to UN officials. He married down his preferred destination, "Canada." Later, with two babies now, they made their way to the airport of Hamburg.

Canada began accepting DPs as immigrants in the spring of 1947. The first scheme was for single men only. Twenty men in each DP camp in the British and American zones of Germany could go. Georges took his chance of luck against eight others. They were fortunate to even hear the news—there weren't enough printed notices. One day, word came that five families could enter. The Lukks were selected to one.

Not more than half of those who had indicated their desire to go to Canada got beyond the preliminaries. Of the second group of 150, only 49 passed the last screening. The rest "were not strong enough." There were tragic eyes of many good friends that lucky Georges Lukk didn't like to meet. He says, "In the camps there are many sensitive, fearful men and women. They have suffered more than we who were young and less conspicuous. No one wants them now." □

# An electronic meeting place

By Andrew Clark

Long before the arrival of European visitors, the Cree of northern Saskatchewan used the snail river for communication. Travelers carried information by canoe from community to community. In 1991, native broadcasters honored that tradition, creating a non-profit radio station called the Mississippi Broadcasting Corp. after the Cree word for "big river." Today, the La Ronge, Sask.-based station broadcasts to 44 aboriginal communities and offers two hours a day each of programming in Cree and Ojibwa. "Aboriginal peoples' relationship to communication is unique," says Mississippi's 29-year-old general manager Mary Bollenlyne, who is from Saskatchewan's Peter Ballantyne Cree Nation. "We come from an oral storytelling tradition. Until 100 years ago, that was our sole source of information, stories told around the fire or at meeting places."

That "meeting place" is now going national, thanks to the launch this week of the Aboriginal Peoples Television Network. It is one of two new cable channels—ROBTv, a business channel, is the other—to go national on Sept. 1, while two others, the entertainment station Seal and Canadian Learning Television, will be available in select markets. The Winnipeg-based Aboriginal Network will offer programs in English, French and at least a dozen aboriginal languages. That will give indigenous producers what many consider a long-overdue forum for their work. And, they hope, help shatter some of the stereotypes about



Indiglit commercial programs depicted "Indians and Indians—the John Wayne version"

The launch of APTN is giving native voices a new national forum

Indit and native people. In fact, so many APTN is one of the most significant events in 20th-century aboriginal history. "For the first time, our community can start to be creative," says Brenda Chambers, a 35-year-old Wharfedale-based independent television producer from Yukon's Tlingit people. "Before, you had to fit into someone else's agenda."

In its first year, the channel will air previously produced Canadian aboriginal films, children's shows and current affairs programming, along with programs from indigenous peoples around the world. And with the strong interest

in aboriginal culture in both Europe and Japan, APTN hopes to tap into the global marketplace and sell its programs abroad. But for now, most of its revenues will come from being carried in basic cable packages throughout Canada. APTN will cost subscribers 15 cents a month. (That is cheaper than other specialty channels: CTV's Spaceman, for example, costs 40 cents.) The network is subsidizing sales with fewer than 2,000 subscribers, who will pay 75 cents.

Nevertheless, APTN executives are committed to spending \$5.9 million on original programming. Manitoba's Bollenlyne, for instance, is creating *Heartbeat of the Earth*, a 13-episode series about Cree, Dene and Métis cultures. Abraham Tapalik, an indie raised in Prosser, B.C., N.W.T., who is APTN's chief operating officer, says the network is committed to celebrating all aspects

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## Television



Following the children's program, TikiTiki on location in Igloolik puppet characters from the scene above (far left) high tops for relatively large audiences

## The new channel will celebrate all aspects of aboriginal culture

of aboriginal culture, even those that are not accepted by some in mainstream western society. "We won't shy away from hunting and caribou," Tagalik says. "We'll do a program about a boy who goes and hunting with his father and then comes home and shows the meat with his family and then uses the skin for clothing."

It promises to be an eclectic array of programming, from documentaries to drama. *Spirit Boy* portrays life in a fictional Northern Ontario community. *Event Journey* is a six-part series on Inuit history and legends, while *Imagewatch* will explore a mixture of experimental aboriginal drama, documentaries and music. APTN will also carry aboriginal programming from outside Canada, such as the New Zealand series *Grooveless*.

Hopes on high that APTN can draw relatively large audiences. Chambers—who is working on a series about aboriginal entrepreneurship—is convinced it can. Her most recent effort, a four-part current affairs show called *All My Relations*, drew a healthy 400,000 viewers, when it aired on CBC Television in April, 1998. "I think there is a pang to have huge audiences for these shows," she says. "There is a diversity that the mainstream hasn't recognized." APTN's management, in fact, is predicting it will have seven million subscribers by the end of 2001. And they expect to do that even though a key segment of their core audience lives in

isolated communities. Many remote and Inuit communities, in fact, are wired. Some, like the northern Saskatchewan town of La Loche (population 1,966), have their own cable systems. Others rely on satellites. "There are 12 million aboriginal people in Canada," says Gary Green, APTN's director of affiliate relations. "We expect 90 per cent will be able to receive APTN by the end of December."

It is a sizeable target, considering television did not arrive in the North until 1975. Back then, remote communities were allowed to hold a vote on whether they wanted to receive a TV signal. Tagalik says the older generation worried that TV would have a corrupting influence, but eventually accepted it. And programs carried on conventional television often were alien to aboriginal life. Tagalik, who watched TV for the first time at age 9, recalls that his favourite show was *The Six Million Dollar Man*. Any aboriginal programming was token. "They did it to get brownie points," he says.

Depictions of native people were almost universally degrading. *Aboriginals* were pigeonholed into one of two North American stereotypes: savages or addicts. Tagalik says these depictions entrenched feelings of alienation in aboriginal communities already suffering from social problems. "It was cowboys and Indians—the John Wayne version," he says. "The natives were always villains. They were criminals wanting to ambush people. That's carried over. It's not cool to be aboriginal. Our kids are not made to feel pride in their culture."

The Aboriginal Peoples Television Network is an outgrowth of Yellowknife-based Television Northern Canada, a regional network that began broadcasting in 1992. TVNC aired a daily newscast and covered aboriginal issues such as the land-claims hearings.

It had 100,000 viewers and produced the first children's show, *Tekipsaw*, in both Inuktitut and English. In 1998, Tagalik, who was then chairman of TVNC, earned a consensus among his network and many southern aboriginal TV producers to join a bid for APTN. This included Maria Obamaswin, an Abenaki from Quebec, and actor Gary Farmer, a Capawa from southern Ontario. In February, the CRTC granted them a licence. That was despite objections from the CBC, whose management argued its network was already doing a good job covering native issues. APTN also had to overcome many cable companies' objections to it being a mandatory part of their service. But the CRTC held firm. Now, the voice APTN will give aboriginal people may prove resounding. "We have to look seven generations back and seven generations forward to get a sense of what this means for our people and for Canada," says Ballantyne. "It's a stage for our storylines and a place for Canada to gather around and learn." ■



# Still angry, after all these years

By John Benrose

Enraptured in his sunny new condominium in Stratford, Ont.—and jangling only to light a cigarette or take a sip of wine—novelist Timothy Findley is doing what he does best: being eloquent. Sentence after sentence rolls out in the rich, mesmerizing voice of the actor he once was. He is talking of the loss of his beloved first wife Convington, in the eastern part of the province. He and his longtime partner and literary manager, Bill Whitehead, needed something more manageable, he explains: the two of them are approaching 70 (Findley turns 69 this fall). They have also just bought a small house in Provence, where they hope to spend as much time as possible. So they have sold their beloved Convington property—which Findley celebrated last year in his book *From Stone Country*—to National Ballet star Rex Harrington. And now they make their Canadian headquarters in this comfortable boudoir of rose and blue rooms fringed with the ruminations of a literary lifetime.

In the hall hangs the cover art for Findley's essay collection books, including *The Wolf*, his 1977 retrospective of the First World War, and *Headlines*, his 1993 bitter feminist portrait of Toronto. An above-hall table crisscrossed by Findley's onetime ballet teacher, Janet Baldwin (as a young man he hoped to dance professionally, before back problems deflected him into the theater). Nearby, the firm is installed in an oil painting of one old man under which cows were once milked. "It lifts me to think of the furs," he says with a burst of fondling. "We had it for more than 35 years. But it's good." Yet, whatever ghosts stalk the writer, the present

is still of consuming interest. He is currently absorbed by his new play, *Elizabeth Rex*, which will arrive at world premieres at next year's Stratford Festival. The author has already begun the process of revision with the director, Martha Henry, and expects to be fully involved in its development over the winter. He talks excitedly of its fictional meeting between England's Elizabeth I and Shakespeare's troupe of actors. It seems that the queen—who at acknowledged in her job to acting with kindly decisiveness—gives some lessons in manliness to the young actor for whom Shakespeare created the roles of Cleopatra and Lady Macbeth. And he, in turn, teaches her what it is to be a woman.

But the biggest news on Findley's plate is his just released novel, *Pilgrim* (GingerCollins), an Orlando-like tale of a man who cannot die, surviving through the ages in a victory of alienation. The writer has merged both the Canadian and British editions on a coffee table, and seems as proud of the book as any new father. He and Whitehead will soon set out on a two-month Canadian tour to promote it: an extraordinary parade of airplane travel and book signings in cities from St. John's, Nfld., to Victoria. "We won't be able to get to France until the fall of 2001," Findley laments. Preceded by Whitehead, the writer admits that he misses the fall of 2000. "I'm afraid I'm dyslexic with numbers."

Findley says the idea for *Pilgrim* first cropped up 30 years ago, when he and Whitehead were staying in "a magical old house" on the Maine coast. There they witnessed the end spectacle of the once popular American novelist John Knowles living through the last stages of alcoholism. Followed everywhere by his

keepers, he spent his evenings in the dining room, refueling food and starting meekly into his drink. "I couldn't take my mind from him, his stare, my eyes," Findley recalls. He speculated that Knowles was in despair because, just at the point when he had brought his work to perfection, it had become unfashionable. Knowles eventually became the seed for *Pilgrim*, the hero of Findley's new novel. An immortal man, he has become witness to the repeated failures of the human race—which refuses to learn from its mistakes and grow either wiser or kinder. Pilgrim loses heart as the world's obsessions, and when the novel opens in London in 1912, he is crying—unaccountably—so full himself. A friend takes him to the famed Hingsthal Psychiatric Clinic in Zurich, where he becomes the patient of Carl Jung.

The two engage in a fascinating duel of wills, as Jung tries to penetrate the other man's protective shell of silence. Their battle leads the psychiatrist to invent his seminal theory of the collective unconscious—the vast world-mind in which all human beings share. It is a lovely irony that Jung dismisses this theory because he fails to understand what Pilgrim ultimately tries to tell him: that he really has lived forever, and as such inside him a memory of all of civilization. Convinced that Pilgrim is mad, Jung cannot take what he says literally. He sees Pilgrim's memory as a kind of metaphor, and so arrives at his own unique view of the human mind.

Findley has marvelously re-created the complex world of the Hingsthal, right down to the claustrophobic



Timothy Findley's new novel, *Pilgrim*, reiterates one of his recurring themes—outrage at the boneheadedness of the human race

atmosphere of its baths and the competitive jealousies of its desires. And he has shaped a wholly believable and sympathetic portrait of Jung—not an easy task at a time when his reputation is split between the stinking of his fallow and the acrobatics of his deconstruction. Pilgrim himself is less winning, partly because he is dominated by disgust and anger. In the end, capturing his keepers, he becomes a force of pure destruction.

In fact, the character of Pilgrim reflects a powerful, driving current of anger fanned throughout Findley's fiction: a kind of Serbian outrage at the perpetual cruelty and boneheadedness of the human race. "Pilgrim," says Findley, "in the person I try to avoid in myself." But a few moments later, he lets that person out. Suddenly, striking the arm of his chair, the writer exclaims theatrically: "What in the hell is the difference between this moment in time and the moment when the Tokyo War was raging? Nothing. Clearly, we have

learned nothing. We've got all these marvelous gifts we've been given—but we're still killing everything in sight. We're still killing one another. We're still not solving our problems. It's endless!"

Findley says he has to fight his own angry pessimism and sense of helplessness. "Otherwise, what's the point? What's the point of living if you're not going to do anything about these problems? So you have to go on writing, you have to go on dancing or angling or whatever it is you do. It's the only sane thing you can do." Does he ever contemplate giving up writing? "Oh, sure," he says, "but I know I never will. I'm just too provoked. And besides," he adds with a smile, "Bill wouldn't let me. He'd back all the wine away."

The conversation drifts to the new house in Provence. "It's very small," Findley says, "but it has a beautiful courtyard, terraced garden. And we've turned the garage into a workshop for me." His day begins slowly: "I sit on the job for too long, and do cross-wood gardens. Then I might take a little or take a shower." By noon, after a light lunch, he is ready to work. He writes—always in longhand—until nine or 10 at night. Then after supper, Whitehead reads the pages back to him. "I have to hear it. It makes me safe to know that the rhythms are right." As he witnesses a spell of life in Provence, Timothy Findley makes the literary life sound idyllic, as if the demons of his anger were far away. ■



## Dalton Camp

# Once upon a treasured airline

Canada is not week-end. Enrich, MacBride, Air Canada, the Trans-Canada Highway, the CBC, the family firm, hockey—enough already, but I could go on. We have entered a new age of amnesia, dysfunction, and closed-for-alterations. The Expos are headed south. CN is slowly there.

A strong case can be made for the claim the only things working in Canada are the Canadian Football League and the Canadian Senate. It's that bad, but it is all the good news we have for you today.

I suppose all those MBA travel-savvy hanging around the downtown handball courts think things have never been better, that the universe keeps unfolding the way the last board meeting planned it. A few million other Canadians, myself included, are not so sure.

We swirl all that upset about Enrich's becoming insolvent. I was an early member of the exclusive Enrich's Horizons Club, which I joined in 1948, and bought my first ticket. The acquisition was years before the proliferation of plastic. The Horizons Club was Enrich's way of making you feel comfortable while they rearranged through your personal financial life so that you could finance the cost of the bed over an 18-month period. I was never sentimental about my relationship with the store, although a friend of mine credits Enrich's catalogue with providing him with his first insight into what women might look like in their underwear.

While anything change is inevitable, and not always for the better, I am less sanguine about Air Canada, formerly Trans-Canada Air Lines, once a wholly owned national treasure, and a property of the people of Canada. By the time you read this, Air Canada may be owned by a Bay Street financier, or by the Germans, or have become a feeder line for Air Bhutan. The reason they are selling Air Canada to foreigners is because they need to unload Canadian Airlines' corpse out there who can figure that out, in 25,000 words or less by next Friday, will receive 1,000 bonus frequent-flyer points from my personal board.

The Bay Street financier referred to above is Gerry Schwartz, chairman of Otis Corp., the Air Canada asset of record. Mr. Schwartz is presently involved with in-flight food catering—which should give us all pause for thought—but also with transient frequent-flyer, such as the Prime Minister, his finance minister, Paul Martin (in case you forgot), not to mention the transient minister, David Collette.

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According to Heather Menzies, who is married to Mr. Schwartz, her husband is "a proudly Liberal" supporter, once the party's chief bagman, who continues to be a party-fund-raiser. "But his work in that regard is sparse," she told Southern News.

But the Prime Minister speaking to Canadian Press that same day said, for the record, about Mr. Schwartz, "This is not a fund-raiser. He used to be, but not anymore."

I don't know Gerry Schwartz if he was a member of the Horizons Club, he would around when I was there. It is impressive, however, how well known he is to the Prime Minister of Canada. Who snafled him from the list of fund-raisers? Who told Mr. Clinton, "Boss, he's honest?" Anyway, it is clear no one told Mr. Bennett, which is OK, but my suspicion is that no one told Mr. Schwartz either not the first man to learn of his alleged state through the morning papers.

Merging Air Canada and Canadian Airlines into one privatised profit centre is going to be hard—on us. What was once our airline will now become someone's private flying fold-down. In the familiar jargon of the new economics and market imperatives, at least 5,000 employees will be "downsized." Experts say firms will increase—how else to pay for the acquisition? Some unions will be cancelled—probably the ones you fly (but not Montreal-Toronto-Vancouver).

**Do not look** for better meals, improved service, or more comfortable seating. Do not look for anyone the man patrolling the skies is not your steward but an employee with government connections. The money will be divided by three: those who fly, those who lack the money and those who lack the endurance.

When the privatisation mania struck Ottawa, I listened to its advocates for weeks. It was another wrinkle in a bearded American conservative ethos—government is evil, and that is not, wacko.

The privatisation of Air Canada was a premise unkept based upon a premise that was unworkable. A friend in the public service once invited me to meet Air Canada's then-president, Claude Taylor. We talked about the impact of privatisation on regional services: he was optimistic; I was not. He was optimistic he was right, I wonder what he thinks today.

As a general rule, at least that the privatisation in the transportation business has been something between business and boardroom for investors but mostly a business for the people. Among other things not working, which I forgot to mention, are the small forces and the House of Commons. Perhaps they should also be privatised so they would operate more like the air-travel business.

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